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ABSTRACT

Developed to assist Native American reservation program planners, this handbook highlights a number of exemplary uses of Comprehensive Employment and Training Act (CETA) funds in reservation economic development, presents a discussion of the problems reservations may face in meeting the new funding directions of the federal government, and suggests some ways in which CETA grantees can deal with those problems and participate in economic development in the 1980's. The first chapter describes several successful ways in which CETA funds have been used to support reservation economic development. The second chapter provides a comprehensive account of two excellent examples of CETA participation in economic development, the activities of the Moapa Band of Southern Paiutes of Nevada and their CETA consortium grantee (the Intertribal Council of Nevada) and the activities of the Manpower Division of the Tlingit-Haida Community Council. Chapter three focuses on suggestions to meet the challenges of the 1980's, e.g. hire a planner, institute a planning process, coordinate and cooperate with other tribal departments, become better informed, form a private industry council to compete for Title VII funds, and involve the community. (AN)

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CETA and RESERVATION ECONOMIC DEVELOPMENT

EXEMPLARY projects

Participating in Economic Development

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FOREWORD

CETA and Reservation Economic Development

This series of handbooks describes a number of excellent approaches adopted by Indian reservations and Native Alaskan communities to link their Comprehensive Employment and Training Act (CETA) programs to their economic development activities. The series is the end product of a broader study of CETA and Indian reservation economic development commissioned by the Office of Planning, Evaluation and Research of the United States Department of Labor. In completing the study, Urban and Rural Systems Associates (URSA) of San Francisco visited 27 Indian reservations and Native Alaskan communities across the country and interviewed over 300 individuals from those reservations and from federal agencies such as HUD, HEW, COMMERCE/EDA, BIA, IHS, and DOL. Discussions were held with staff members of the U.S. Senate Select Committee on Indian Affairs and the U.S. House Committee on Interior and Insular Affairs.

Reservation economic development has become the major thrust of the Division of Indian and Native American Programs (DINAP) of the Office of National Programs of DOL, the agency responsible for administering the Indian CETA program. Since 1977, DINAP has set in motion a number of policy initiatives to promote linkages between CETA programs and economic development activities in Native American communities. In addition to encouraging reservations to make creative use of CETA funds, DINAP's efforts include two grant programs--the Native American Economic Stimulus Program (NAESP) of FYs 1977 and 1978 and the Native American Private Sector Initiative Program (NAPSIP) of FY 1979--that have assisted these communities in developing and sustaining new economic development efforts in a wide range of areas.

Representing yet another such initiative, the study of CETA Plans and Reservation Economic Development focused on exemplary uses of CETA by individual reservation grantees and documented those programs or program elements that are successful and relevant to other reservations trying to get the most out of their CETA dollars. Those programs deemed "exemplary" address common problem areas in a unique way that can be broadly applied to similar situations on other reservations.

Phase I of the study resulted in an interim report that discussed the unique problems of Indian economic development, documented the novel and creative uses of CETA programs funds observed on the study sites, and highlighted a number of reservations whose programs were considered exemplary. Phase II returned the study team to the candidate exemplary sites to validate and document initial findings. Discussions with federal and state agency personnel were held to stimulate and promote interagency cooperation and coordination. Finally, the study team has developed and produced this series to guide reservation program staffs in their future planning and development activities. We hope that these handbooks will be the first of a continuous series of documents and training and technical assistance efforts to assist Indian reservations and Native Alaskan communities in their struggle for self-determination and self-sufficiency.

CETA & RESERVATION ECONOMIC DEVELOPMENT

Exemplary Project Handbook: Participating in Economic Development

BY:

Ernest J. Fazio, Jr., J.D.
Patricia Kelly, M.C.P.
Sally Jo Jones, Editor

SEPTEMBER 1980

This handbook was prepared for the Employment and Training Administration, U.S. Department of Labor, under research and development contract no. 20-06-78-07. Since contractors conducting research and development projects under government sponsorship are encouraged to express their own judgment fully, this publication does not necessarily represent the official opinion or policy of the Department of Labor. The contractor is solely responsible for the contents of this handbook.

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This manual represents one product of a research and development study commissioned by the Office of Policy Evaluation and Research (OPER) of the Department of Labor. The study examined the relationship between CETA Title III Indian programs and Indian reservation economic development on twenty-five Indian reservations and Native Alaskan communities nationwide. During the study a wide range of materials was collected, and interviews were conducted with over 400 persons. The study analyzed the relationships between the CETA programs and the EDA, HUD, BIA, IHS, USDA, etc. funded economic development activities, and provided a perspective on the state of reservation economic development.

This handbook highlights a number of exemplary uses of CETA funds in reservation economic development, presents a discussion of the problems reservations may face in meeting the new funding directions of the federal government, and suggests some ways in which reservation and consortium-based Native American CETA grantees can deal with those problems and participate in economic development in the 1980s.

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PREFACE

This handbook has been developed to assist reservation CETA programs, planners, and developers in their efforts to promote the economic and community development of their reservations through the use of CETA funds. It is hoped that this assistance will enable the CETA program to integrate with the process whereby the natural, human and cultural resources of the reservation in concert with the capital provided through government, private and tribal resources are applied to develop and maintain a self-sustaining economy that guarantees employment opportunities and income to the inhabitants of the community.

There are many ways of using Indian CETA funds. As the Indian and Native American CETA coalition expressed in its Special Report of March 1980, which analyzed the final Indian CETA regulations:

> Many people have considered CETA to be a very limited program with tight restrictions on the types of activities that can be funded. This is just not true. The final Indian CETA regulations are very careful to point out (even thouth buried in a lot of fine print) thay any activities are permitted as long as they relate to the two basic purposes of Indian CETA programs: helping Indian workers get jobs and contributing to the overall development of Indian and Native American communities. The community and economic development goal is to be considered as important as the goal of finding jobs for Indian workers . . . [Thus,] substantially all Indian CETA resources can be used for any job-related purpose that will help improve the economic condition of Indian and Native American people and their communities.

During our travels to 27 reservations and Native American communities throughout the United States, we observed many creative and productive uses of Indian CETA funds. At the same time, we talked to a large number of individuals who were unaware of the potential resource that CETA can be. In this handbook, we attempt to inform reservation and community planners and CETA programs of the ways in which other reservations have used CETA funds to promote community and economic development. We will discuss the potential of on-the-job training (OJT) and Public Service Employment (PSE) funds to support development, and we will examine the ways in which the Native American Economic Stimulus Program and the Native American Private Sector Initiative Program have assisted reservations. We have chosen the case-study format as the most useful way of providing information.

In addition to discussing the past experiences of reservations, this handbook will be devoted in part to an analysis of the challenges that reservations will face during the 1980s. We will highlight some potential new funding sources, as new directions and dimensions that may impact on reservation development. Finally, we will provide some broad guidelines for successful economic development through CETA.

1. What CETA Has Meant to Reservation Economic and Community Development

The publishing of the final Indian CETA regulations on November 6, 1979, represented an important milestone in the history of employment and training programs for Indians. The regulations firmly acknowledge the distinctions between Native American CETA grantees and their state and local prime sponsor counterparts. They recognize the paramount need to further the policy of Indian self-determination. They provide a means of waiving or adjusting some of the more onerous regulations that have beset Indian CETA programs, such as those pertaining to nepotism or those limiting the amount of time participants can work in PSE positions.

Lastly, the regulations assert what DINAP and numerous grantees have known and stressed all along, that besides helping individual Indian workers get jobs, the goal of the Indian program should be to contribute to the overall development of Indian reservations and Native American communities.

THE BACKGROUND OF FUNDING

CETA funds have provided over $500 million to reservation-based and urban Indian programs over the past six years. Funds are available for on-the-job training, classroom training, work experience, public service employment, and supportive services. A significant amount of money has been targeted to young people through such programs as the Youth Employment Training Program (YETP), the Summer Program for Economically Disadvantaged Youth (SPEDY), and the Youth Conservation and Community Improvement Program (YCCIP). Unlike their experiences with other federal programs, several reservations have received funds from local non-Indian CETA prime sponsors, from the Balance of State prime sponsor, and from the Governor's Discretionary Fund. One state, Wisconsin, has funded a unique economic development program aimed at supporting the Great Lakes Intertribal Council (GLITC) in its effort to establish tribal enterprises

and Indian-owned businesses on member reservations. A number of planners have been funded to serve the reservations in ways not attended to by EDA-supported planners.

In the face of expanding tribal government operations and an across-the-board growth in population, CETA has surfaced as the most critical source of funding for the reservations surveyed during the study. Fiscal year 1977-78 CETA budgets reflected this importance, especially with regard to Title VI Public Service Employment Projects and public service employment placement. CETA funded such critical areas of tribal government as planning, program administration, tribal courts and law enforcement operations, and project operations (in all service delivery fields). Hence, CETA has been instrumental in supporting the development of service infrastructures and in promoting self-determination on most reservations.

The link to economic development is no less substantial. CETA has enabled a number of nascent enterprises on reservations to get off the ground by providing through Public Service Employment (PSE) a kind of venture capital that is so often unavailable to tribal enterprises. Tribal enterprises are eligible for such funding because, ultimately, they have been controlled by tribal councils. In short, CETA placements provide a tribal enterprise with the staff it needs while it develops to the point where its revenues are sufficient to support the staff.

Two additional sources of DOL funds earmarked directly for economic development --the Native American Economic Stimulus Program (NAESP) and the Native American Private Sector Initiatives Program (NAPSIP)--have been made available to Indian CETA grantees. Part of the Carter administration's response to areas of high unemployment, NAESP has aided in the establishment and maintenance of economic development on reservations. This special two-year program (covering Fiscal Years 1977-78) made available to reservations a total of $32 million through a competitive application system, unlike the usual formula-based revenue-sharing nature of CETA fund distribution. Applications were entertained in 15 key areas, including agriculture, aquaculture, forestry, management, hotel-motel management, and energy conservation and innovation. In excess of 480 proposals were received, totalling $140 million in requests. Approximately 180 grants were awarded.

NAESP monies have dramatically benefited reservations by enabling them to adequately train the staffs supporting their enterprises while providing subsidized employment, or venture capital, to those enterprises. The authors' research suggests that NAESP became the major source of on-the-job training (OJT) support for the study sites. Prior to NAESP, reservation-based CETA programs had not been successful in developing OJT programs; classroom training and PSE were much more prevalent. CETA directors explained this phenomenon by revealing that: (1) reservation people wanted to work on the reservation, (2) local tribal enterprises did not have the capacity to launch an OJT program, and (3) off-reservation enterprises were rarely interested in federally subsidized training. NAESP allowed tribal enterprises to participate in OJT.

As part of the Carter administration's attempt to secure private-sector participation in subsidized employment and training efforts, NAPSIP was authorized in Title VII of the 1979 CETA legislative package. A source of funding similar to NAESP, NAPSIP will facilitate the establishment and maintenance of Indian-owned or -controlled businesses on Indian reservations. Fiscal Year 1979 funding for the program was seven million dollars. A competitive bid process was used to distribute funds, drawing a total of 79 applications, of which 14 were funded. Successful applications dealt with training in such diverse fields as avocado farming, welding, diesel mechanics, and future manufacturing. The success or failure of these demonstration projects should dictate future funding levels for the program.

LINKAGES WITH ECONOMIC DEVELOPMENT: SOME EXAMPLES

The following section presents examples of some of the creative and interesting ways in which CETA funds have been used to support tribal economic development. A brief description is provided for each project, including some of the key steps and strategies used to put projects together. The descriptions are divided into three different types of CETA funds, but many of the concepts and methods behind each type of use are transferable to linking other sources of project funding.

Public Service Employment and On-the-Job Training

PSE and OJT funds have been used to support tribal enterprises and those of individual Indian entrepreneurs by serving as a part of operating capital, i.e., to train and pay for staff during the initial critical phases of project implementation when the tribe or individual business has little or no money to pay salaries until the project begins to generate a cash flow. In the past, there was confusion over whether tribal for-profit enterprises could use PSE placements. Many tribal enterprises did not and were severely hampered in their efforts to create self-sustaining enterprises. A general waiver was granted by DINAP in 1977. Examples of some PSE and OJT projects are:

- *Groceries*--The Santee Sioux of Nebraska set up a tribal grocery store in 1974. Initially supported by two grants totalling $24,000 from the (Methodist) Commission on Race and Religion, the store is currently staffed by CETA PSE employees. Without CETA, the store could not function at its current level. The Shoshone-Bannock Tribes of Fort Hall, Idaho, have also used PSE funds in the construction and staffing of their large trading post. The enterprise is an outgrowth of a smoke shop operation.

- *Manufacturing*--The Oglala Sioux of Pine Ridge, South Dakota, have chosen to pursue a policy of community industrial development as part of their economic-development thrust. The reservation has several districts, each of which is projected to receive a manufacturing entity. As part of the overall tribal objective of decentralizing employment opportunities and providing an economic base for outlying reservation communities, an arrow manufacturing operation was opened in 1977 in Wanblee, South Dakota. Tribally chartered but district-owned, the factory has a five-person board appointed by the district council. The district was provided planning and administrative support from the tribal planning center, and the tribe has provided other support to maintain the enterprise. CETA PSE positions support the work force and have been vital to the project in its infancy.

- *Construction*--The Salt River Pima-Maricopa Indian Community, located adjacent to the Phoenix "sunbelt" growth center, has used CETA linked with the BIA's Tribal Work Experience Program (TWEP), to train tribal members to work with the tribe's for-profit construction company. Linking CETA to TWEP enables the program to provide training in steps and to extend the time period for training as required for the construction trades but not allowed for under CETA limits. The company has begun to work with the local trade unions, and some trainees have been hired into apprenticeship trainee programs. The construction company has built HUD-funded housing for the tribal housing authority and expects, as it grows, to perform an increasing amount of construction activity on the reservation for public works, housing, community facilities, etc.

- *Refuse Service*--The Oneida tribe of Wisconsin, located near Green Bay in the Great Lakes region, started a refuse service to include the nearby village, numerous rural individuals and, more recently, other near communities. Now a viable profit-making enterprise as well as a community service, the operation's initial source of funding was CETA. Originally, all the workers were on PSE; about half the staff is PSE. In time, the service will be self-sufficient.

Native American Economic Stimulus Program

Although funded for only two years, NAESP, as a precursor of NAPSIP, provides examples of what can be accomplished with similar source of funding in the future. Projects funded by NAESP generally were of two types: (1) development of new projects that fit top tribal priorities, often linking with or leveraging other sources of funding, or (2) training and staffing for projects whose physical structures were in place but underutilized due to lack of operating capital and trained staff. The following are examples of NAESP-funded projects.

- *Agriculture*--The Spokane Tribe of Eastern Washington, which is a member of a CETA consortium, received an NAESP grant for agricultural management training and employment. This grant linked CETA explicitly to the reservation's top economic development. CETA trainees were used in the construction of the agricultural irrigation system, which was funded by EDA and the

Bureau of Reclamation. This project was also linked to the BIA, the Indian Action Team Program, the Tribal Learning Center, the state university, and the county extension service. Tribal members were trained to manage the project once the irrigation system was completed. The project was particularly well coordinated as a result of several factors. The EDA-funded planner worked closely with those responsible for planning and administering the CETA program, i.e., the local coordinator, the tribal council and the staff of the consortium. The five-member tribal council, composed of salaried, full-time members, is well informed about the role and potential of CETA and actively participates in using CETA to fulfill tribal development goals. The staff of the four-member CETA consortium, which includes an economic development planner, works closely with all member tribes to develop plans and projects meeting tribal development needs and provides information and technical assistance to staff and council members in planning, project development, and proposal writing.

- *Health*--The Oneida Tribe used an NAESP grant to support a nursing home/community health center for tribal members. It took the tribe nine years of planning, funding, and development to bring the center into operation. The home was financed in part by a unique mix of Hill-Burton funds, private foundation grants, and church donations; an EDA Local Public Works Round I grant supported the completion of the physical plant, while IHS funds supplied the necessary equipment. Title XIX certification was received from the state for Medicare reimbursement. Staffing of both facilities was supported by a NAESP grant for paramedical training. Observers stated that, without CETA, the nursing home would never have gotten off the ground.

- *Agriculture/Greenhouse Development*--The Moapa Band of Southern Paiutes, located near Las Vegas and a member of a consortium headquartered in Reno, used a combination of tribal development funds and an NAESP agriculture grant to train staff for a large-scale greenhouse project. The tribe used its own funding commitment for the first greenhouse and the NAESP support of the project to leverage funding from HUD (through a Community Development Block Grant) to build the remaining greenhouses and from EDA to build a packing shed. The project was several years in the making. Initial funding applications were turned down, but the tribe persevered. Then NAESP

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came along, it was well suited to the tribe's long-range development plans. The project was developed in concert with a non-Indian agronomist who is training tribal members, under contract, in the management and operation of the greenhouses. Among the factors cited as contributing to the project's success are: 1) the coordination between the tribal council, business manager, project manager, planner, and the CETA consortium director in planning, developing, and implementing the project; 2) using tribal and CETA funds to secure other sources of funding; 3) taking the time to develop a well-researched and documented proposal; 4) building on the experience of past tribal failures and successes; and 5) strong community support.

- *Livestock/Agriculture*--The Papago Tribe of Arizona used FY 1978 NAESP funding to train the staff of a livestock feed lot enterprise. The complex had been constructed with EDA funds in 1974 but had sat unused due to lack of trained staff and operating capital. Workers were trained in livestock management, range management, and veterinary assistance. This project was noteworthy for its excellent linkages with outside training resources. The basic training curriculum was developed at the state university and adapted by the training coordinator and the livestock director of operations. The traditional Papago language was used where possible. Conducted by the local skills center, the training involved many techniques--audio-visual, simulation, hands-on, one-to-one, etc. Management trainees were themselves trained to conduct staff training in the future.

Native American Private Sector Initiatives Program--Title VII

Proposals for Title VII projects have just recently been funded. According to DINAP officials, over 70 proposals were received amounting to $200 million in grant requests, once again reflecting the increasing demand for reservation economic development funds. The Title VII legislation provided funding for planning activities, and $2,000 was made available to each Native American grantee to plan projects and to set strategies for linking CETA to the private sector. It is important to note that, for the purposes of NAPSIP, tribally owned enterprises are considered to be part of the private sector and are eligible to receive Title VII funds.

An important aspect of the Title VII program is the requirement that a grantee just set up a Private Industry Council or PIC--composed primarily of individuals from the local private-sector business community. The PIC can assume an advisory or operational role, as desired by the tribe, and can participate in the following three functions: 1) planning and coordination, 2) operations, and 3) monitoring and evaluation.

One noteworthy example of the kind of planning activities that occurred was the Title VII planning and application process of the Central Council of the Tlingit and Haida of Southeast Alaska. The Council is a consortium serving 20 Native Alaskan villages and communities in the Southeast Region. Establishing linkages between communities is more difficult in Alaska than in the lower 48 states because of the great distances involved, the inclement weather, the lack of communications equipment, and the unavailability of ground transportation bwtween communities. Central Council held a series of community meetings which resulted in the formation of an accurate survey of businesses in each community, in the communication of community development and training priorities, and in the nomination of appropriate individuals to serve on the PIC. The Council proceeded to develop an application which was selected by DINAP as the highest rated of all the Title VII applications submitted. The excellent planning process used by the Central Council should ease the task of operating the training projects and of anticipating the future needs of the community businesses.

SUMMARY

This chapter has described ways in which CETA funds have been used to support reservation economic development. They are examples of CETA participation which appeared both successful and supportive. The following chapter provides a more comprehensive account of two excellent examples of CETA participation in economic development.

2. Two Excellent Examples of Linking CETA to Economic Development

In Chapter 1, we presented snapshots of a number of interesting links between CETA and economic development activities in Indian Country. In this chapter we plan to highlight two of the more excellent examples of CETA support of economic development as observed during our visits to reservations and Native American communities across the country:

- the NAESP activities of the Moapa Band of Southern Paiutes of Nevada and their CETA consortium grantee, the Intertribal Council Nevada (ITCN), and
- the Title VII NAPSIP activities of the Manpower Division of the Tlingit Haida Community Council, which serves the Native Alaskan villages of southeastern Alaska.

We have chosen to highlight these two examples for three reasons. First, they both represent successful linkages of CETA and economic development. Second, they represent excellent uses of the important special funds that the U.S. Department of Labor has provided through DINAP since 1978--NAESP and NAPSIP. Third, they are examples of economic development efforts which both closely involved the community in decision making and reflected the growing tendency in Indian Country to develop activities that are compatible with traditional priorities.

THE MOAPA EXPERIENCE: CETA-INITIATED ECONOMIC DEVELOPMENT THROUGH NAESP

The Moapa experience is an example of how a small tribe with limited planning and development resources can benefit from the planning and project support offered through its CETA consortium (the Intertribal Council of Nevada-ITCN). In this case, the Moapa Band of Paiute Indians was assisted by its ITCN-assigned employment coordinator in both overall tribal economic development planning and in securing funding specific projects that linked CETA to long-term economic development. The coordinator was especially useful in identifying and securing sources of funding for the implementation of projects crucial to tribal economic self-sufficiency. A key factor in the success of the model project that was implemented was the use of CETA NAESP funds to leverage additional funding from other agencies.

Background: Moapa

The Moapa Tribe of Paiute Indians is located in the desert 55 miles northeast of Las Vegas. Initially 39,000 acres, the reserve was reduced to just over 1,000 acres in 1875. Under the Dawes Act, the land was later divided into individual allotments too small to farm economically. The tribe restored the plots to tribal ownership in 1941. An early effort to farm the land cooperatively met with insurmountable water problems, a shortage of money, lack of modern equipment, and difficulties in managing a cooperative venture. Unable to develop and manage its only resource, the tribe was forced to least its arable farmland to an outside dairy company.

During the 1950s and 1960s, conditions for tribal members were bad, and there was little hope of improvement. Housing was poor; there were few tribal buildings or services; unemployment was 70 percent for men and almost 100 percent for women. Then, in 1965, the Indian Claims Commission awarded a judgment to the tribe, a part of the Southern Paiute Judgment Settlement.

After the award of the monies, the tribal council was able to begin long-range planning. Its first commitment was and remains the building of a self-supporting economy to provide employment for tribal members:

Our mission is to advance the Moapa Band of Paiutes and preserve their homeland by building an independent and self-governing community that provides an opportunity for all peoples who have made a commitment to this mission.

Toward this end, the tribe set aside 60 percent of the claims award as a perpetual capital fund for improvements and economic development. Together with the community, the tribal council developed its first set of ten-year goals, which focused primarily on providing housing, community facilities and services as well as job opportunities to tribal members.

As its first economic development project, the tribe decided to try the tribal farm again and in 1968 did not review the lease on the land. The farm was the first testing ground for developing management and labor skills. Building on a series of mistakes and corrections, the tribe subsequently set up a leather shop, construction company, and a store. In the process, a central administrative staff developed.

By 1976 the community offered an increasing range of training opportunities and programs, but there were still not enough jobs for tribal members. The tribal council, along with its ITCN-funded employment coordinator, began to explore seriously the potential for creating additional permanent year-round employment. A top priority was to identify a project with a good potential for becoming profit-making within a reasonable amount of time and a compatibility with the existing way of life. The project selected and eventually funded was a tomato greenhouse.

Background: Intertribal Council of Nevada CETA Program

The Nevada Intertribal Council provides support and assistance to the 23 reservations of Nevada in the areas of employment, social services, health services and economic development. ITCN has been the consortium grantee responsible for the administration of CETA funds for Nevada reservations and colonies since FY 1975. Like other consortia, the director and staff of the ITCN CETA program must work closely with both the individual reservations and an executive board composed of the tribal chairmen or other representatives of those reservations. The Moapa band joined the council in 1967.

Like many Native American CETA grantees, the ITCN CETA Program had a difficult job establishing efficient administrative controls to manage the distribution of CETA funds to its consortium grantees; to develop appropriate procedures for selecting, screening, orienting, and placing participants; and to repond to the numerous reporting, modification, and application requirements mandated by the CETA regulations. In fact, the CETA Program established excellent administrative procedures and controls, which are in use today. The organizational structure is set up to maximize the delivery of support and assistance to the member tribes. Both youth and adult CETA client participants are provided handbooks to explain their rights, responsibilities and opportunities while under CETA employment. Reports and applications are prepared on time and are received favorably by DINAP.

After establishing an excellent structure to implement CETA in Nevada, ITCN and its member tribes were still faced with the fact that the Nevada tribes were far from self-sufficient. As the ITCN expressed in its FY 1979 CETA grant application:

> The needs of an Indian CETA program differ from the needs of local CETA prime sponsors. CETA was originally designed to elevate the skills of individuals so that they could participate more fully in the competitive job market. This approach cannot function on an Indian reservation without another factor--that of economic development. All the training programs that exist on an Indian reservation are a waste of time, energy, and money if there is no place for p ople to work when they complete their training.
>
> In order to upgrade the standard of living on Nevada reservations, more economic independence must be realized by tribes so that they can control the direction of their participation in modern society. To create ways in which dollars--and thus capital flow--can be captured and put to cyclical use on reservations, projects and businesses which produce a self-sustaining profit must be established. The purpose of [CETA funding must therefore be] to plan, start, initiate/implement new businesses or to support ongoing tribal enterprises that demonstrate a productive life of their own.

For the past several years, the ITCN CETA Program has followed its commitment to support the economic development activities of member tribes. It aggressively sought funding for tribal programs by preparing grant applications and by making economic development a direct responsibility of the field officers--known as employment coordinators--who staff the four regional offices and the two

community resource planners who support all of the tribes.

As used by the ITCN, the community resource planner identifies and develops various enterprises for Indian tribes and colonies. The job description developed for the position sets out these specific duties:

- Reviews the employment situation on reservations and develops a plan of action to meet employment needs;
- Contacts tribal groups and meets with tribal councils to review local situations and plans for future development;
- Prepares reports to tribal council, CETA director and other officials on local potential;
- Prepares background material, such as write-ups for background and tribal history, for future potential applications;
- Contacts various agencies and financial institutions as sources for funding specific projects;
- Works with tribes and ITCN-EDA staff to examine potential of CETA support to funding proposals;
- Works with tribes to see how funds can be invested; and
- Reviews tribal budgets to identify revenue sources and potential allocation of funds.

Among all the CETA programs visited by the study staff, this position was unique, representing an important improvement to CETA programs that we highly recommend. The following discussion of the Moapa greenhouse project well demonstrated the value of a CETA planner committed to economic development.

The Moapa Greenhouses

By 1977 the Moapa tribe had enjoyed a long and fruitful relationship with ITCN and its CETA program. Manpower funds had been programmed and used wisely in the development of the tribal construction company, the leather shop and the tribal

store. The tribe had been able both to train tribal members and to support them and their developing enterprises through PSE funds. CETA funds had become vital to the economic growth and development of the reservation.

Perhaps even more important than the funding, the tribe knew they could count on the CETA director and her staff. Over time they had developed cooperative relationships based on mutual trust. ITCN knew that the Moapa tribe would not begin a tribal enterprise unless the community supported it. And ITCN knew that, once an enterprise was started, the tribe and its members would be fully committed to its success. ITCN could also be assured that the tribe would seek out excellent advice to assist them in their development efforts.

The Birth of the Idea. Agriculture--tilling the soil--had always been the key development priority of the Moapa band. The farm had represented their first move toward economic independence, and the tribe decided in 1976 to build on that success.

Two individuals, who were not tribal members, were instrumental in bringing greenhouses to Moapa. Together with the long-standing tribal chairman and the tribal council, they represent the driving force behind Moapa's eventual success. The first key actor had served the Moapa tribe as a general grant-writer and planner since 1970, assisting with the tribe's major efforts of the seventies. When his grant funds from another source ran out, ITCN hired him as its employment coordinator for the Las Vegas region--an excellent decision for both ITCN and the Moapa tribe. As an ITCN employment coordinator, he is responsible for providing a wide variety of manpower services, such as job development, coordination of training programs, placement and follow-up. He is also assigned the role of project planning and resource development to support the economic development of tribes in his region.

The second important individual was a young agricultural developer who had spent a number of years in Israel involved with a successful greenhouse tomato-growing and -packing enterprise. When he had come to Nevada--an area with similar climate and growing season--and, was introduced to the tribe, he realized that they had the same type of cooperative community as his Israeli kibbutz.

Together with the tribal chairman and the tribal council, these two individuals determined to develop the tomato greenhouses. Nearby Las Vegas had to rely on Mexico and Arizona for its tomatoes. The tribe concluded that there would be an unlimited market for their produce and developed a plan they considered to be readily fundable. Unfortunately, the Economic Development Administration (EDA) rejected this original plan, but the tribe remained committed to the idea. They even considered a contingency plan calling for the project to be financed through the private sector. Realizing that it would be difficult to complete the project and it would take longer and limit the size of the effort, they were nevertheless determined to do something. As it turned out, this contingency plan was important to the success of the project.

The Involvement of NAESP. In the autumn of 1977, ITCN learned of the opportunity for Native American grantees to compete for the Native American Economic Stimulus Program. A decision was made to tailor the earlier EDA submission to meet the CETA/NAESP guidelines. The application sought funds to subsidize and and train 35 tribal employees in a two-year program of plant care, management and marketing. Given the support of ITCN and the promise of a NAESP grant, the tribe looked forward to getting the greenhouse project underway.

They soon found that it would not be so easy. The proposal was originally rejected and funding denied. Still believing the concept, however, the tribe and ITCN sent the ITCN CETA director, the employment coordinator and the tribal chairman to Washington, where they convinced DINAP to make the award. With over $380,000 of NAESP funds committed to the project, training began in February 1978.

Bolstered by their NAESP grant, the tribe sought to gain funding for the construction of the initial greenhouse. There were potential grant funds available from the HUD Community Development Block Grant Program, but the tribe wasn't sure that funding would arrive soon enough to make the NAESP training effective. They developed a contingency plan to commit a portion of their judgment funds and to seek private financing on the first half-acre greenhouse. Funding for the remaining seven acres was included in a proposal to HUD for a block grant. HUD, impressed by the scope of the project, the determination of the tribe, and the apparent success of the idea, awarded the Moapa with a three-year block grant totalling almost one and a half million dollars. EDA, also impressed that

two agencies had participated in the effort and that the tribe had committed its own funds to secure private financing, committed over $650,000 for a packing and storage facility.

On February 18, 1979, a dedication ceremony marking the first harvesting of Moapa's Jackpot Brand tomatoes was a moving experience for all of us who attended. Since that time, the tribal construction company has continued the building of the remaining greenhouses and the packing shed. A second cash crop, cucumbers, was also tested and may prove even more successful than tomatoes. Thus, the idea born in 1976 came to fruition with the dawning of the 1980's.

Summary: Learnings From the Experience

In talking to the people involved with the Moapa greenhouse project, one is invariably reminded that this success story cannot be considered in isolation. The culmination of 15 years of trial and error, this is the story of a tribe that little by little, project by project, became skilled at developing their resources and managing their enterprises. There is no easy recipe for the kind of success the Moapa enjoyed, but there are some lessons that can be passed on.

Community Support. Before each one of its ventures--from the farm to the housing development and construction company, to the leather shop and tribal store, and culminating in the greenhouse project--the tribal council sought and received the support of its community. Time and again the council, planners, and enterprise managers point to the Moapa people as the solid foundation supporting tribal progress. Their trust in their leaders has allowed for a continuity of leadership that has gone far to promote success.

Capable Support. Consistently recognizing the need for good planning and management in each of its ventures, the tribe has hired individuals with proven expertise to manage its enterprises. When these people have not been tribal members, they have worked closely with a tribal member designated to ultimately assume prime management responsibility. The tribe has also not shied away from purchasing excellent technical assistance. A respected, nationally known firm helped the tribe in developing a sophisticated marketing and merchandising plan, which has been almost as important as the high-quality produce in the success of the greenhouse venture. Last, the tribe's long-term relationship with the

CETA employment coordinator (now a private consultant) has been most beneficial, as he prepared most of the funding packages and assisted in negotiating with federal agencies during the development years.

Committed CETA Grantee. The tribe was fortunate in having a committed CETA grantee, the ITCN. The CETA director and her staff are firm advocates for their consortium members and actively support and assist in economic development. This advocacy and commitment has gone beyond solely CETA matters. For example, the ITCN CETA program, recognizing the difficulty of securing good surplus government equipment and the value of such equipment to tribes that cannot afford anything else, retains an expert on surplus equipment as a consultant for the member tribes in their development efforts. A number of the reservations have benefitted from this service.

Creativity. While relying on federal grant funds for much of its development, the tribe has never compromised its approach merely to gain funds. It began each of its enterprises with an idea and pursued that idea through various avenues to fruition. If one source of funds was not available, some other approach was tested. Two examples stand out:

- When the tribe could not get funding to construct the buildings to house the leather shop in 1973, they looked around and found surplus barracks from an old atomic test site 140 miles north. With the help of a local teamster and a volunteer crew, three barracks were moved to the reservation, where they became the leather shop and a senior center. The cost of moving was minimal compared to new construction.
- The tribal store was originally housed in the leather shop. When the tribe received an EDA grant to construct a tribal administrative center, the idea arose to move the store into the new building. The problem was that there were no funds for the cold storage and shelving needed. The tribe approached Southland Corporation (7-11 Stores) which donated the equipment and material, and the store was in business.

Neither of these enterprises could be funded through federal grants, but, since the ideas were more important than the grants, other approaches were tried. Without their creativity and contingency planning in the absence of grant funds,

Moapa's would have accomplished very little. To meet the challenges of the 1980s, other tribes will have to display a similar creativity.

THE TLINGIT-HAIDA TITLE VII EXPERIENCE: A PROFILE OF AN EXEMPLARY PROCESS

The Central Council of the Tlingit-Haida of Alaska (CCTH) CETA Program received the highest Title VII award given to a Native American Grantee for the FY 1979 PSIP grant competition. Their application had been rated highest by the independent review team selected by DINAP. In another handbook in this series, we highlight the community survey efforts undertaken by CCTH to support their Title VII application. Here we examine the whole CCTH PSIP planning process, which involved significant community participation and a carefully thought-out and executed plan. The Tlingit-Haida PSIP planning experience is offered here as an example of a creative planning effort in an area--private sector involvement in Native American community and economic development--that will be critical to Indian people in the

Background

Each Indian reservation and each Native Alaskan community and region is unique in its own right. At the same time, there are strong similiarities and distinctions between Alaska and the lower 48. To some people the distinctions outweigh the similarities. It has been suggested, for example, that the differences in land ownership and use patterns and in the relationships between native peoples and the state and federal governments are so great that Native Alaskan regions and communities can learn little from Indian reservations, and vice versa. However, the planning and program experiences of CETA Indian grantees in Alaska and the lower 48 can and should be shared to the ultimate benefit of all concerned. Here, therefore, is a discussion of the unique experience of the Central Council of the Tlingit and Haida Indians of Alaska (CCTH).

The CCTH was formed in 1965 to administer the $7 million land claims settlement of the Tlingit and Haida Indians from the U.S. government to compensate for the lands lost to the Tongass National Forest. The CCTH must answer to an assembly of representatives from the 20 predominantly Native Alaskan communities of the southeastern, or "panhandle," region of Alaska. The current 75 Tlingit and Haida delegates meet annually in the spring to review CCTH activities of the past year and to set priorities and direction for the coming year. The council is administered day to day by an executive director who answers to a

president and board of directors selected by the delegates. Thus, CCTH is a nonprofit, quasi-governmental entity that provides services to the native communities of the southeast region. Operating as an intertribal council of sorts, the CCTH assumes the manpower and economic development planning responsibilities for the region. In addition, through the Southeast Agency it assumes BIA PL 93-638 contracting responsibilities. Incorporated separately from the CCTH but associated with it are a federal credit union, an electric authority, a housing authority, a regional health corporation, and a combined fisheries, agricultural, and forestry authority.[1]

The Indian CETA program of Southeastern Alaska, operated by the Manpower Division of the CCTH, has supported a wide range of community and regional development activities. CETA coordinators in the communities serve important staff functions for both the village corporations and the IRA councils (the two entities--one corporate and one municipal--serve Native Alaskan interests at the community level). CETA PSE participants served as economic development coordinators during the development of community Overall Economic Development Plans, and PSE participants have served on the staffs of the regional health corporation and the housing authority. Due to the uniqueness of Alaska and its land claims settlement, however, PSE participants have not been eligible for subsidized employment in village or regional corporation enterprises.

Direct CETA support of economic development projects has been limited to NAESP and NAPSIP.[1] CCTH received NAESP grants from DINAP in four areas: hotel/motel management, agriculture/forestry, aquaculture, and paramedical. Each of these grants has assisted in the overall development of the region and has helped native workers to take their place in Southeast Alaska industries. In completing its NAPSIP grant application, the CCTH Manpower Division adopted an exemplary planning process which contributed to the application's high rating among all those submitted. The following is a discussion of that process.

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1. It should be noted that CCTH is wholly separate and distinct from the southeast regional for-profit corporation, Sealaska, one of the 12 such entities created by the Alaska Native Claims Settlement Act of 1971 to administer the land and money issuing from the settlement. These corporations are forbidden under the legislation to distribute the proceeds of any investments to meet the health, education, or social services needs of the people in their regions.

The Coordinated PSIP Planning Process

When the Manpower Division of the CCTH received the Native American Private Sector Initiative Program-Title VII grant announcement from DINAP in February of 1979, they, like a number of other Native American grantees, realized that the initiative presented an opportunity to support and assist local native-owned or -operated businesses. They saw that the Private Industry Council concept could be important in linking private and community-owned enterprises with the CETA program and its training resources. At the same time, they foresaw some real problems: How could they involve all 20 communities in identifying needs and setting priorities, when many of those communities are isolated and accessible only by air or water? How could they identify the native-owned and -controlled businesses that would eventually be supported by Title VII and find out if they wanted to participate? and, how could they do all that, organize a PIC, prepare an application, and still meet the DINAP May 1 deadline for submission of applications?

Two early decisions shaped the way the process evolved and, in part, ensured its ultimate success. The first decision was to assign the PSIP application to one person full-time. That person--a job developer from the CCTH Manpower Department--had not had much previous experience in preparing grant applications but, very conscientious and hard working, was a good choice for the job.

The second decision was to develop a Plan of Action for Proposal Development. (See Appendix A for a copy of the plan.) This plan set out the main thrust of the PSIP program to be developed and established the goals, objectives, and methods which would control the preparation of the application. As such, the Plan of Action provided the philosophical basis and the general outline of the PSIP planning process.

Main Program Thrust of the Plan of Action. The main thrust of the PSIP was "to work through the village corporations[2] because of the very vital economic

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2. Under the Native Claims Settlement Act, each village with a population of over 25 Alaska Natives was awarded a land and money settlement. The 12 regional corporations established under the act own the subsurface rights to the lands selected in their region while the individual villages owned the surface rights. Each of the 221 Native cities and villages of Alaska was required to set up a village corporation to manage the land and distribute the money awarded through the act and to develop the village's local economy.

role they will play in the communities in terms of employment and potential employment." An important secondary thrust was to support and assist the native-owned businesses located in the villages of the southeast region. As a local extension of its commitment to involve the village corporations in the program and to tailor the program to suit their specific needs, the CCTH concluded that those corporations would have to provide input to the development of the grant application. The basic commitment to corporation participation thus shaped the PSIP planning process.

The Goals, Objectives, and Methods of the Plan of Action. There were two basic goals of the plan of action:

- To develop a CETA Title VII proposal that will work through the village corporations to increase employment and training opportunities, and
- To establish a Private Industry Council to assist in the development of the CETA Title VII proposal and to monitor program implementation upon grant award.

To implement these goals, a series of objectives were identified, together with a series of methods or activities to be undertaken. The majority of the methods were tied to specific scheduling deadlines, each of which had to be met for the application to be completed on time.

- *Goal #1.* To achieve the first goal, the CCTH identified two objectives and appropriate methods:

  --To obtain from the village corporations the private sector human resource statistics necessary to direct the PSIP program by: (1) developing a survey for mailing (since travel to and from most Southeast Alaskan communities can be accomplished only by air or water and only at great expense); and (2) sending the survey out to the village corporations and local native-owned businesses to solicit interest in the application to learn what type of programs (OJT, classroom training, etc.) would be desired and to learn of special interest in serving on the PIC as well as to obtain the critical human resource statistics. The survey was to be administered during the first two weeks of March.

--To obtain a listing of all native-owned for-profit businesses in Southeast Alaska to learn of the specific employment and training needs of the region. The CCTH chose to use the on-site CETA coordinators, located in each village, to gather this information by March 30.

- *Goal #2.* To achieve the second goal, the CCTH identified three specific objectives:

  --To select, by the third week in March, the Private Industry Council, drawing on the response from the initial survey and nominations made by the CCTH boards. Representatives would be sought from the private sector, community-based organizations, educators and union representatives.

  --To conduct the first PIC meeting within two weeks of the appointment. Letters of appointment and a meeting agenda were to be sent out enough in advance to allow PIC members to attend. More importantly, an initial outline of the application, drawing on the findings of the information survey and the listing of native-owned businesses, was provided.

  --To prepare a draft of the application and submit it to the PIC for review by April 1. The draft, incorporating the results of the PIC meeting and the additional data gathered during the application process, was to be mailed to individual PIC members for their feedback.

The Plan of Action was designed to assist the proposal developer in her efforts to complete the application. As we shall see, the plan was closely followed and was instrumental in assuring the high quality of the eventual document.

The Plan in Action. Each of the objectives was completed on time. The results of the information survey were incorporated into a proposal outline that included four specific project areas to be considered:

- A business management training and employment project,
- A natural resource training and employment project,
- A tourism industry training and employment project, and
- A small business employers program.

In addition, there was a unique occurrence during this early period. The Sitka Community Association (SCA), which had left the CCTH in 1978 to become its own prime sponsor, approached the CCTH Manpower Division regarding PSIP. After a series of meetings both with its own local PIC and with the division, the SCA decided to enter into a consortium effort with the CCTH. This move was made to strengthen the application and to broaden the eventual impact of the PSIP. While the SCA agreed that the proposed project direction would address a number of their critical needs, they did wish to add a project of their own--a union apprenticeship project. After the agreement to form a consortium was made, SCA staff worked with the proposal developer in the preparation of the application.

The Private Industry Council was appointed by March 14. Private industry was represented by officials of five of the village corporations and two Alaskan native private entepreneurs. Labor was represented by the officials of three key unions operating in southeast Alaska: the Plumbing and Pipe Fitter's Union, the Public Employees Union, and the Laborer's Union. Community-based organizations were represented by the president of a village nonprofit corporation. Continuity with on-going operations was maintained by including three members of CCTH Manpower Planning Council on the PIC. These members were familiar with the CETA process and assisted the other members of the PIC in their deliberations. The PIC was staffed by the proposal developer.

The first meeting of the PIC was held on March 22. At that time, the council elected a chairman and reviewed the proposed projects areas at length. The members conducted an informal needs assessment to match the needs identified in the community survey with the proposed program areas. They decided that both village corporations and privately owned native businesses should be eligible to participate under the Title VII program. Convinced of the general usefulness of survey information, the PIC also decided to expand and conduct a regional private-sector human resource survey on an on-going basis throughout the grant.

After the PIC meeting, the proposal developer and the SCA staff assigned to the effort worked to prepare the draft application. Among the key elements of that application were the administrative structure for controlling PSIP implementation and the nature and operation of projects contained in the program.

The administrative structure. The proposal developers correctly concluded that the administration of the PSIP program should center around the PIC and the direct support it should receive. The PSIP budget provided for 10 PIC meetings during the term of the grant. The PIC members had committed themselves to this schedule and were interested in monitoring PSIP performances.

The PIC was to be supported by a monitoring unit independent of and not directly responsible to any other union in the prime sponsor organization. This unit was to be staffed by seven persons: a program coordinator, two job developer/ monitors, a classroom training coordinator, two statistical technicians (who would be involved in the on-going business and manpower survey), and a clerk typist. A technical assistant and a clerk typist were assigned to the SCA to maintain liaison with the CCTH administrative unit.

The basic administrative structure of the CCTH, complete with the fiscal and management mechanisms in operation to handle the day-to-day CETA activities, was to control the operation of the grant. Among these mechanisms was the financial system maintained by the budgeting and accounting division.

The regular CCTH policies established to distribute services and resources to the member villages on the basis of resident native population were to be adhered to under the grant. As described in the application, local participation in the grant was to proceed as follows:

- Allocations are announced to the following organizations in each community: Village Mayors and councils; Tlingit & Haida Community Councils; IRA Councils (Indian Reorganization Act); Johnson O'Malley and Indian Education Councils; Village health councils; Alaska Native Brotherhood and Sisterhood Camps. The Central Council requires the joint participantion of at least five (5) of the organizations in developing a proposal that prioritizes the needs of the community that can best be met by creating CETA positions.
- After the proposals have been received from the communities, reviewed and approved for funding by Manpower Division a contract is entered into between the Division and the employing organization outlining the rate of pay, fringe benefits, duration of funding, job description, classroom training and working conditions for the CETA participant.
- The CETA jobs are advertised, posted in public places and the Manpower Division staff is dispatched to the communities to determine the eligibility of the job seekers. A list of the CETA eligible applicants is given to the employing agencies to select from and those selected for participation in the CETA program are then placed into the Central Council computerized payroll system.

Under the PSIP, proposals for local participation were to follow the overall program structure and the several projects earmarked for implementation.

Monitoring activities were also to be controlled by the established policies and procedures of the CCTH. As described in the application these included:

- The Central Council Manpower Division has developed the capacity to monitor program agents for compliance. Manpower Specialists and Contract Technicians visit sub-contractors on a regular basis. They will be responsible for monitoring Title VII activities and reporting on them to the PIC, as well.
- These individuals also provide orientation to CETA sub-contractors which basically includes an explanation of CETA programs, responsibilities of employers, rights and responsibilities of participants, job information concerning future job markets, and essential work information once individuals are on the job or in training.
- Exit interviews are held with each participant obtaining unsubsidized employment. The employer is contacted to confirm and assure placement. Follow-up letters are sent to such employers and placed participants during the probationary period and one year after placement. Results of the follow-up are recorded in the participant's personal file.

The program structure. The proposal developers had to take several overriding factors into account in preparing the PSIP grant application. The isolation, inaccessibility and relatively small size of the communities had to be considered. Classroom training activities could not be provided on site; they would have to be centrally located. The length and scheduling of training would also have to complement on-going OJT activities. These issues were resolved by the following provisions:

> The overall proposal is based on the assumption that more individuals will participate and the learning process will be expedited if education can be brought closer to Southeast Alaska communities. Thus, rather than residing at school for months at a time, trainees will attend formal classroom sessions at regular intervals throughout the employment period.
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> These classroom training sessions should not last longer than one week and will be intensive in nature. The remaining time will be spent in actually implementing on the local level whatever skills were transmitted during the formal training period.

The operation of each of the PSIP projects was to be controlled by this mix of classroom training and OJT (or, in those cases where OJT was not possible, subsidized employment).

As mentioned above, the program proposed in the CCTH grant application contained five projects identified by the staff and the village corporations and approved by the PIC for development. A short discussion of each, as included in the application, is in order here.

- The business management project was designed to fill the needs of the individual village corporations for trained staff to manage the fiscal and land-ownership responsibilities assumed under the Settlement Act. The premise behind the project was as follows:

  The passage of the Alaska Native Claims Settlement Act (ANCSA) and the earlier Court of Claims Settlement of the Tlingit & Haida suit have provided an opportunity for Southeast Alaska Natives to gain and maintain primary control of their lands and future. It is highly likely that ANCSA marks one of the final opportunities Alaska Natives have to preserve their lands as well as cultural identity. If our village corporations are mismanaged, the lands along with the opportunity to maintain our cultural integrity may be lost.

  Business management training and employment is indeed timely for Natives of Southeast Alaska. The village and regional corporations are in the beginning stages of organization and planning and gaining ownership of lands as a result of ANCSA. They are pursuing their own interests in the control and use of Alaskan lands. Until Alaska Natives at the local level achieve a higher level of cohesion and management expertise, our influence in the complex context of inter-governmental local-regional and public-private systems will be completely overshadowed by that of other interests. To further complicate the situation, it is imperative that the introduction and use of modern management skills and techniques not overwhelm our Native cultural traditions and relationships.

  The project plan provided for classroom training in inventory control, basic investment practices, managerial practices, program planning, and business and economic development. Working through the 12 village corporations, the project was to select, train, and employ business manager trainees, accountant/bookkeeper trainees and corporation secretaries. Classroom training would be provided to the manager and accountant trainees. The training program was to be developed and delivered by the classroom training coordinator and the job developers.

- The Sitka apprenticeship project was designed to train a number of native workers in the construction and equipment repair trades. During the 1970s Sitka's population had grown by 50 percent, accompanied by a construction boom unprecedented in the southeast region. Very few Sitka natives--either union or non-union--were skilled in the construction

trades. In addition, there was a need for repairmen to support the large native fleet and for equipment and maintenance workers to support the village corporation-owned hotel. A total of 13 apprentice trainees were to receive OJT training as laborers, carpenters, plumbers, electricians, marine engine repairmen, and hotel equipment maintenance workers.

The project had the active and agressive support of the local carpenters', plumbers' and electricians' unions operating in Sitka. The project also had some goals that extended beyond the interests of the individual trainees. It was seen as a way to support the Native economy of Sitka, a predominantly non-Native community.

- The resource management and development project was designed to promote the two major resources and industries of the region--fishing and timber. The traditional and modern economic mainstay of the region, the fishing industry was beset with numerous problems: smaller yields due to heavy competition from foreign and lower '48 fleets, unorganized activity, and the lack of any protected waters for native fisherman. Although logging was traditionally viewed as a practice that scarred the environment and harmed fishing, the transfer of considerable tracts of land to Native ownership under the Settlement Act rendered timber a major economic resource for the region. Both industries required trained resource managers to oversee the expoitation of the region's vital natural resources. The project called for two trainees--one in fishing and one in timber to be trained and employed within each community of the region. The training program would be developed by the coordinator of classroom training working together with appropriate educational institutions.

- The tourism industry training project was designed to allow Native peoples to share in this traditionally lucrative business of southeast Alaska. The village corporations are seen as a vehicle for organizing a Native response to tourism, since several have purchased or are constructing hotel/motel facilities and others have set up arts/crafts stores. As the application states:

Skillful management is needed to actualize the growth potential in the tourism industry while assuring that the Native culture is not unduly exploited or damaged. In most instances, public as well as private investment will be needed to enable the villages to develop and strengthen this area of economic activity.

Under the project, each village corporation would be assigned one tourism trainee to be trained by an experienced private consulting firm. Two additional trainees would also receive on-the-job training in tourist attraction development and techniques in tour guide promotion.

- The small business employers program was set up to fulfill the CCTH and PIC commitment to use the PSIP grant to support private, Native-owned businesses. Under the program, OJT trainees would support the operations of individual businesses that could offer them unsubsidized employment at the end of the program. Classroom training would be made available to 20 of the 40 trainees provided for in the program.

The individual projects, while unique, each addressed a shared need of the region as expressed by the people of the region. In all, 173 people were to be trained under the grant. Each trainee would have to comply with CETA regulations, as would every subcontract-village corporation or private business. Because of the special nature of the program, a separate memorandum of agreement (see Appendix A-2) was drawn up to control the relationship under the PSIP between the CCTH and individual subcontractor. Since no previous subcontracts with village corporations had been possible prior to Title VII PSIP, this memorandum was to be an important administrative tool.

Review and Approval. The draft application was prepared and mailed to the PIC members for their review and comment. In the interim, an informational packet was prepared and distributed to the 75 CCTH delegates attending the annual meeting held on March 29-31. At that time, delegates were asked for their comments on the PSIP concept and the directions in which CCTH and the PIC were leaning.

Also in the interim DINAP had extended the deadline for filing applications to June 1, which enabled the PIC to convene in a formal review session on May 14 and 15. During those meetings, the PIC approved the application subject to a

few revisions, including the doubling of PIC meetings from five to 10 to assure adequate monitoring of a project of such scope.

The Aftermath. Although the application received an enthusiastic reception by both DINAP and its independent reviewers, cutbacks in projected PSIP funding diminished the grant amount by one-half. A mixed blessing for CCTH, the award required a modification and resubmission of the application. And the original components could not all be funded. Based on the priorities established by the PIC during its deliberations and the corporations in the survey, CCTH had to drop tourism and private business and cut other staff and expenses cuts from the program.

Although the results of the program were outside the scope of our study, by all accounts it is operating successfully. Much of the credit is attributable to the groundwork laid by CCTH's excellent planning process.

Fresh from its experience in developing its own PIC and in participating in the PSIP, the CCTH obtained a grant from the Alaska Balance of State Title VII to train paralegals. An impressive achievement in itself, such alternative funding awards should be sought actively by other Native American CETA grantees regardless of whether they have obtained a PSIP grant.

Summary

The Tlingit-Haida Title VII experience contains some critical elements of interest to all grantees wishing to participate in future Title VII efforts.

- Community Involvement. The preparation of the application involved the communities in the southeastern region throughout. The human resources survey asked village corporations to identify and prioritize areas of concern and need. Second, the PIC was selected to maximize the ongoing input of those entities, the village corporations, that would be most affected by the program. Third, the delegates to the CCTH annual convention were provided information on the PSIP and asked to comment on it. This emphasis on strong community involvement has extended beyond the planning in the PIC's regular meetings and monitoring of PSIP progress.

- Structured Planning. By assigning an excellent proposal developer to the project and by developing a structured "Plan of Action," the CCTH was able to produce an impressive document within a relatively short period of time. The experience it gained producing that document has enabled it to participate in a PSIP effort with a Balance of State Prime Sponsor.

- Comprehensive. The projects that comprised the grant application address a number of pressing problems facing the entire southeast region. Although all were not funded, the effort should nevertheless be worthwhile. Also, since the grant provides for an ongoing human resources survey, it is quite possible that CCTH will be able to reassess its needs and apply for additional funding in the future.

CONCLUSION

In this chapter, we have highlighted the experiences of two Native American Grantees in participating in economic development through CETA. Though quite dissimilar, these experiences share some common elements:

- planning focused - each is an example of how good planning can bring success.
- participatory - each is an example of an attempt to involve the community in the decisions that will shape its future.
- economic development focused - both highlight the ways in which CETA can be used to support reservation or community development and stress the developmental rather than the subsidizing nature of CETA.
- planner focused - each recognizes the need for CETA programs to assign capable individuals to use CETA to promote economic development by linking it with other reservation or community agencies involved with development.

3. The Challenges of the 1980s and Some Suggestions on How to Meet Them

FEDERAL FUNDING TRENDS AND THEIR IMPACTS

The 1970s will be remembered as a decade of dramatic and unprecedented change on Indian reservations and in Native American communities. Encompassing all tribal life--from population trends to tribal government to community and economic development--these changes were due in large part to the impacts of federal funding increases over the decade.

Our research revealed significant shifts in the size, operations, and focus of tribal government operations in all of the 27 study sites since 1970. Prior to the 1970s, those reservations receiving OEO funding had had CAP agencies to coordinate such programs as Headstart, family planning and, perhaps, alcohol and drug abuse programs. For many other reservations, tribal government had consisted of the tribal chairman, the tribal council, and a limited staff to handle its affairs. Very little executive responsibility was assumed.

Since 1970, with their new eligibility for a wide range of federal funding programs, tribal governance structures have become much larger and more sophisticated. It is almost impossible to assess the combined impacts on them of EDA planning assistance, LPW Rounds I and II, Public Works, and Title IX and X; DOL Manpower Development funds and later CETA Titles II, III, and IV, expanded youth funding, and Economic Stimulus Projects and Title VII; BIA business development loans and grants and Indian Action Teams; HUD 701 planning, Community Development Block Grants, and housing programs; NIAAA (now IHS) alcoholism programs; ONAP/ANA programs; and CSA programs (and a limited number of Community Development Corporations). A further critical change occurred when tribal governments became eligible to contract for existing BIA and IHS service delivery responsibilities under PL 93-638.

During the decade, reservation populations also increased greatly as tribal members returned home in response to the expanded job opportunities created by the wealth of federal grant funds. A dramatic increase in housing starts was seen, but it never approached the actual need for housing on many reservations.

Perhaps the most critical need for reservations, most observers agree, was and remains economic development. In recognition of this need, the federal government pumped millions of dollars, through numerous agencies, into reservation projects. As Vine Deloria, Jr. put it,

> Schemes for bringing light industry into reservation areas have been foisted upon Indians for nearly two decades. One need only scan the accumulated press releases of the optimistic years of the 1960's to see the naivete which characterized early efforts to bring industries to remote reservations.
>
> . . . A related feature of the late 1960's and 1970's was the development of industrial parks and motels by tribes persuaded . . . that paradise lay just beyond the next project. Today, industrial parks . . . lie hidden in the weeds baking in the hot sun . . . [and] most of these [tourist] projects have long since scaled down to a local motel and on occasion for conferences and training sessions by the tribe itself, with little or no tourism to help pay for them.[3]

The experiences recounted by Professor Deloria touched many reservations across the country. Few can boast that they have never had a bad experience with a tribal enterprise or other economic development venture.

There have, however, been many successful reservation economic development efforts, as we have detailed in this handbook. Coming to fruition at the end of the seventies, these successes hold a certain promise for reservation and Native Alaskan community economic development in the eighties.

The federal funding to reservations and Native Alaskan communities of the 1970s may, however, change dramatically during the 1980s. There are increasing pressures to cut back federal expenditures and balance the budget to counteract current inflationary trends. Some changes in federal strategies for urban and rural domestic policy conflict with reservation priorities. The effectiveness of certain critical Indian programs may be further compromised as they are refunded at

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3. A Better Day for Indians (New York: Field Foundation, 1977), p. 8.

the same or lower levels, within an inflationary economy. Lastly, some new federal directions will benefit those reservations that make the necessary changes in their planning and development strategies.

Budget Cutting

If the Fiscal Year 1981 or 1982 budgets are adopted as current trends suggest, there will be repercussions in Indian country. Indian CETA programs have already felt such repercussions for some time with PSE fund cuts during FY 1980, and these cuts will inevitably be continued in 1981. The negative sentiment in Congress could result in the future elimination of PSE funds altogether. A decrease in the Indian share of youth funds has also been proposed, but this may not result in a net loss of money.

Budget cutting will have impacts on other reservation programs. HUD's 701 planning monies, currently funding Indian planning activities at a yearly level of $1 million, are to be eliminated. This cut will diminish planning capabilities on many reservations.

The full magnitude of the federal "belt-tightening" will affect most reservation programs. Only time will tell by how much.

Static Funding

EDA Indian planning, public works, and technical assistance funds have not increased for a number of years. Current discussions in Congress suggest that there will be no increase in FY 1981. During the same period, materials and labor costs have increased so dramatically that some observers suggest that the EDA Indian program has only a fraction of the impact it had during the mid-1970s.

New Directions

While the traditional sources of support and assistance to reservations are experiencing cutbacks and changes that may be detrimental to reservation interests, there is some indication that the 1980s may offer new opportunities for reservation development. These new opportunities include HUD Community Development Block Grants (CDBG) and Urban Development Action Grants (UDAG), CETA's Native American

Private Sector Initiative Program (NAESP), the Targeted Jobs Tax Credit (TJTC), and EDA's Development Financing Loans (DFL).

HUD Community Development Block Grants. CDBGs have been available to Indian reservations for four years, and economic development projects have been eligible for funding for the past three years. The HUD Region IX Indian Office, for example, currently commits approximately 25% of its set-aside funds to economic development. Other HUD regions have not as yet pursued economic development projects as aggressively. CDBG is a source of support, but budget allocations do not begin to approach the demand. The FY 1981 allocation for the CDBG Indian set-aside--projected at $34 million--is a 9 percent increase over 1980 levels but a net decrease in real support if the inflation rate is taken into account. Nevertheless, the program represents an important new source of economic development funding for reservations, as is evident in the Region IX CDBG experience.

Since 1977 21 reservations and Native American communities in Region IX (Arizona, California, Nevada, and Hawaii) have received $8.3 million in grants to support economic development activities on their reservations. Similar to EDA project grants, these funds are awarded for constructing or developing the facilities, equipment or supplies necessary to undertake economic development. There are some interesting distinctions, however.

First, the funded projects encompass a wide range of areas, including agriculture (irrigation, greenhouse, alfalfa ranch, avocado ranch, and land rehabilitation), land development and real estate (industrial park, mobile home park, commercial land development and marina development), industrial development (tourism, timber/sawmill, gravel operation), commercial development (shopping center, convenience store) and service support (Manpower Training Center). Departing somewhat from past EDA policies that concentrated funds in specific areas (industrial park, tourism development), these awards reflect the interest of HUD Region IX in funding projects of a profit-making nature or directly supportive of economic development activities.

Second, and more importantly, HUD Region IX has reviewed project applications rigorously, as revealed in the following discussion by its Office of Indian Programs:

While Region IX intends to work with Tribes to take full advantage of the new and substantially expanded economic development provisions of the CDBG regulations, we also intend to be very careful in our review and approval of economic development project applications.

Our caution is based on the following considerations and observations:

--few cities or tribes really know what they mean by economic development and do not know what they really want to achieve. What, for example, is more important, jobs for many tribal members or self-sustaining profit-making economic enterprises that benefit some tribal members? What long-term economic benefit does the Tribal government expect to get? . . . These are just two of many basic policy issues Tribes must address before economic development projects have even a chance to succeed.

--economic development projects are technically and financially very complicated and require highly professional planning and management expertise that most Tribes do not have. Neither do many of the consulting firms that peddle themselves as experts. Thus, the roadside is littered with the carcasses of dead economic development projects that accommodating consultants have declared feasible, because the cities or tribes have wanted the Federal grant funds so much.

--HUD and other Federal agencies have, over the years, funded economic development projects that have been astonishing failures. The Feds deserve much of the blame. Frequently, projects have been under-funded to the point where they were no longer feasible; or federal staff did not have the time or technical background to see the subtle but crucial flaws in the economic logic of a feasibility study used to support a project application.

In short, achieving long-term, self-sustaining economic development is difficult under any circumstances. Detroit, after all, is wall-to-wall with "business" expertise and financial backing, yet it is in economic decline. Tribal situations are certainly no less difficult and any tribal economic development strategies and projects proposing to use CDBG funds will be more closely examined than any other type of application.[4]

The Office of Indian Programs (OIP) has evaluated proposals against a number of policy-guided criteria. As potential standard-setters for economic development funding in the eighties, these criteria are of interest:

- Pre-applications must include a carefully thought-out description of the broad economic development strategy to be employed in the project and how it fits into tribal goals.
- Funds, in most cases, will not be provided to support existing projects that were underfunded.

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4. Region IX Economic Development Policies and Procedures (San Francisco: HUD Region IX, 1978.

- Joint funding is an initial requirement for all projects due to the considerable expense of all of them. The more evidence of support from other agencies or of a tribal willingness to commit its own resources, the greater the likelihood of HUD funding. (See Moapa NAESP discussion, Chapter 2.)
- Tribes are encouraged to develop a planning approach--preferably business oriented--to economic development. Plans should include income projections, vendor agreements, management plans, etc.
- Tribes without prior successful economic development or tribal enterprise operations should consider smaller, less costly projects.
- Proposed enterprises must have a reasonable chance of succeeding. Care must be taken to demonstrate that start-up costs (e.g., salaries and materials) can be met by the project. (See Moapa NAESP discussion, Chapter 2.)
- Projects must show a positive projected rate of return on capital to be funded within a reasonable period of time for the venture(s) involved.
- Projects must develop a management system that provides for day-to-day operational management, accounting, inventory and cash control personnel policies, reporting and procurement.

While the OIP has given tribes some leeway in developing their projects, it has adhered to the criteria above in most cases. Region IX HUD has had considerable success in its economic development program. When compared to the economic development problems of other federal programs, their success has been remarkable.

HUD URBAN DEVELOPMENT ACTION GRANTS (UDAG). Although not yet available to Indian reservations, there is a movement afoot to declare reservations eligible for UDAGs in FY 1982 or 1983. The following description of the UDAG provides a sense of the scope and potential relevance to Indian CETA programs:

> The purpose of the Urban Development Action Grant program is to assist severely distressed cities and urban counties in alleviating physical and economic deterioration through stimulation of deteriorating neighborhoods. Grants under this program are made available to cities and urban counties losing population and jobs, with stagnating or declining tax bases, high percentages of poverty, low growth of per capita income, and high unemployment, and in communities with deteriorating housing.

> Consistent with statutory direction, HUD regulations governing the program require firm private sector commitment to a project before any UDAG funds are awarded. This is a fundamental principle distinguishing the Action Grant program from previous urban revitalization efforts. This requirement is based on the recognition that public funds, alone, are not sufficient to revitalize distressed cities. The private sector is essential, working in partnership with local government, to carry out economic development and neighborhood revitalization projects. Every activity funded must have a firm commitment of private investment as well as HUD funds.
>
> Action Grant assistance can be made available to distressed cities and urban counties for any activity for which Community Development Block Grants may be used, such as land acquisition, the development of public facilities, and the construction or rehabilitation of industrial and residential facilities. In addition, other activities necessary to revitalize the economic base of a distressed city or to reclaim neighborhoods having excessive housing abandonment may be approved. Grant assistance can be made available by local government for economic development projects to be implemented by private non-profit entities, local development corporations, or Small Business Investment Corporations.[5]

If reservations become eligible for UDAG funds, it is likely that they will have to meet the same general requirements as do small rural communities. Because UDAG could become a critical source of funding to reservations during the 1980s, planners should try to secure more information on it from their HUD regional office.

EDA's Development Financing Loan Fund. Another potential source of support for reservation economic development is the EDA's new Development Financing Loan Fund. The Fund will attempt

> . . . to spur increased job creation by assisting businesses to be maintained, to locate, or to expand in distressed areas [such as reservations]. The primary instruments that would be used to foster job creation in this manner include loan guarantees of up to 90 percent to private businesses seeking to finance ventures, direct loans of up to 65 percent of project cost to borrowers unable to obtain financing from private lending institutions, even with the aforementioned guarantee, and interest subsidies to offset "the added costs of doing business in distressed areas." In general, however, interest subsidies have been viewed somewhat skeptically by members of the academic community and Congress--as "giveaways" that rarely serve as a sufficient incentive to influence a business locational decision.

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5. Urban Development Action Grant: First Annual Report (Washington, D.C.: HUD, OPD, 1979), pp. 5-6.

The program will relate directly to reservation CETA programs.

> The EDA reauthorization would require the Secretary of Commerce to ensure the coordination of EDA programs with activities assisted under CETA legislation. EDA recently entered into an agreement with the Department of Labor and other related agencies that requires that their jointly sponsored projects develop an employment and training plan in which 10-15 percent of the jobs generated thereby are earmarked for the long-term unemployed. The Act would also require coordination with activities maintained by the Private Industry Councils created pursuant to Title VII of CETA.[6]

Native American Private Sector Initiative Program (NAPSIP). We have described NAPSIP at several points in this handbook. To assist tribes in applying for Title VII funds, the study team has also prepared a NAPSIP workbook, which is included as Appendix B. This discussion will, therefore, focus on the importance of NAPSIP to reservation economic development in the 1980s.

It is apparent that the public and government are disenchanted with the subsidized employment programs that have characterized CETA. There is a general consensus that the private sector must be involved in future CETA activities. Other federal grant strategies, such as UDAG, stress the need for private sector involvement in economic development. Lacking a viable private sector-based economy, many reservations find this a difficult proposition. NAPSIP does, however, promote a dialog between CETA and other economic development agencies.

Moreover, NAPSIP mandates the development of a Private Industry Council of representatives from the private sector (e.g., tribal enterprises, local entrepreneurs and business people), community-based organizations, educators and labor. This council should be supported by planners who understand the federal grant-in-aid system, can mesh it with the priorities set by the PIC and can translate it all into grant proposals. The PIC is the backbone of the NAPSIP and, in some cases, of all reservation economic development activities during the 1980s.

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6. Center for Community Economic Development, "A Special Report on the Expansion of EDA," CCED Reports (Fall 1979). See Appendix C-6.

Targeted Jobs Tax Credit (TJTC). An interesting element of the Department of Labor's private sector initiatives, the Targeted Jobs Tax Credit, is a part of the Revenue Act of 1978. For each eligible individual (CETA participant/graduate) hired in an unsubsidized position, employers qualify for a reduced business federal income tax liability of $3,000 during the worker's first year of employment. TJTC thus basically supports the hiring of any 18-24-year-old youth from an economically disadvantaged family. So far, non-Indian employers have hired thousands of eligible youth, reaping millions of dollars in tax savings. Since most Indian youth qualify, Indian CETA programs can use TJTC to build unsubsidized employment and to support tribal and private Indian-owned enterprises.

Summary

If the trends identified in this discussion continue, Indian reservations will have to change or adjust their approaches to economic development in the 1980s. Some of the necessary adjustments will include:

- Large, expensive economic developments will be difficult to fund and may require joint funding by several agencies.
- The private sector--including individual native businessmen as well as tribal enterprise managers--will need to become involved in future economic development efforts. Grant funding may well be contingent on a significant level of private sector involvement.
- Project planning will become more important, and project plans will have to become much more sophisticated to be funded. Feasibility studies will require a higher level of detail than they did in the 1970s. Competition will be greater as more tribes compete for lesser amounts of money. And the success of an application will be based more on its quality than on the status or size of the tribe.
- CETA programs will have to become more involved with economic development and planning than they have to date if they are to serve the best interests of their reservations. With the decline of PSE, CETA programs will have to seek out other means of filling the employment and training needs of the tribal members. PSIP Title VII and the Targeted Jobs Tax Credit may become

the most important DOL contribution to reservation economic development in the 1980s.

SOME SUGGESTIONS ON HOW TO MEET THE CHALLENGES

Throughout this series of handbooks, we encourage reservation CETA programs to plan, to coordinate, and to become more involved with economic development. This is a study of CETA and economic development, and we should be expected to promote such things. Nonetheless, we believe that it will be in the best interests of reservation and consortium Native American grantees to consider following these suggestions as they approach the 1980s:

- Hire a planner.
- Institute a planning process.
- Coordinate and cooperate with other tribal departments.
- Become better informed.
- Form a PIC and compete for Title VII funds.
- Involve the community.

√ Hire a Planner

One of the most glaring deficiencies we observed in visiting 27 reservation and consortium Indian CETA grantees was that few had CETA planners. When NAESP or NAPSIP funds became available, many tribes either did not develop an application for funds or had to rely on the planners or grantspeople from other departments. While few programs have planners, all have job developers. The problem on many reservations is that there are no jobs. To develop jobs, the CETA program must become involved in economic development. Such involvement requires developing a planning capacity, and to develop such a capacity requires a planner.

CETA planners should know about planning and about development. They should be able to relate with the tribal EDA planner and other departmental planners. Therefore, CETA planners should be highly skilled people with proven credentials. An example of the types of skills and responsibilities a CETA planner should have is included in the chapter 2 discussion of ITCN's employment coordinator. Programs should either hire such a person or appoint a current CETA staff member and secure appropriate planning training for him/her.

√ Coordinate and Cooperate with Other Tribal Departments

Another critical problem on many of the reservations we visited was the CETA Program's isolation from other tribal departments. Administratively, CETA often operates alone, and CETA staff do not regularly work together staffs of other departments. This isolation hurts the CETA program because it cannot draw on important reservation activities to accomplish its work and hurts other programs because they rarely understand what CETA is about and how it can support their activities. Similarly, consortium CETA programs had have little or no relationship with the member tribes apart from their executive boards and on-site coordination.

It is important for CETA programs to break out of such isolation. To do so may require changing the way the program runs, but in the long run such changes can only improve the program. For information on coordination techniques, consult the handbook, Planning for Economic Development.

√ Become Better Informed

Another major deficiency on most reservations is the lack of knowledge about economic development. While these handbooks on linking CETA with reservation economic development will help in that regard, they alone are not sufficient. Interested individuals should also try to obtain the various newsletters, reports, and documents cited in Appendix C. A more important source of information is other Indian CETA programs. Our work at regional CETA training conferences showed that CETA grantees can and do learn a lot from each other when they communicate. Sharing experiences, techniques, successes, and failures can be beneficial and reduce the feelings of isolation from information that CETA grantees often express. One important resource in this regard is the Indian and Native American CETA Coalition. We recommend that CETA grantees join and use the coalition as a source of information about goings-on in Washington and a means of learning about other similarly situated CETA grantees.

√ Institute a Planning Process

Program planning is a vital function performed by all too few CETA programs with any regularity. For the most part, "planning" for the program is a crisis process conducted during the month or six-week period between the time when the program learns of the amount of its allocation from DINAP and the deadline date for submissions. This activity is not planning; it is application preparation, and it is not a good way to do business.

Planning should be an ongoing process throughout the year and should involve other reservation departments. Since CETA funding is authorized for a term of years (although allocations may vary), CETA programs can and should plan over the full term and set priorities for the use of funds. Once the allocation is received, the projects or activities programmed for funding should be those priorities identified during the planning process. Only by instituting such a process will CETA grantees be unable to get the job done in the 1980s as the Title VI allocation is further reduced and other cutbacks are made. (For a comprehensive treatment of CETA planning, consult the handbook Planning for Economic Development.)

√ Form a Private Industry Council and Compete for Title VII Funds

Reservation and consortium grantees should recognize NAPSIP as one of the most important sources of funding available to them during the 1980s and make the decision to participate in the program. While Chapter 2 and appendix B provide a more comprehensive view of NAPSIP planning, the following steps highlight some critical activities within that process.

Step 1--*Decide to participate.* Involve the tribal council and other reservation departments in the decision to apply, seeking their input on the nature of the project, the business or enterprise to be developed or supported, and the training required. Consider such issues as what the alternative projects might be, what is the pool of people who could serve on the PIC, and how large the project should be. Requiring several meetings and discussions, the decision-making process should begin months in advance of DINAP's announcement of the competition for Title VII.

Step 2--*Select someone to manage the process.* As demonstrated by the Tlingit-Haida NAPSIP experience, one of the most important steps in the process is the assignment of responsibility to prepare the application, either to one person or a special committee. Once assigned, that person or group should work with the other parties involved to develop a plan of action which will control the subsequent steps in the process.

Step 3--*Form a Private Industry Council.* The PIC is vital to the program and may be important to other grant programs as well. In forming a PIC, take care to select individuals who represent other departments, tribal and private enterprises, etc., and who are willing and able to put time into the effort. Make sure that the PIC has adequate staff to support and direct its activities and is provided with the information it needs to make decisions.

Step 4--*Gather the necessary data.* Our handbook Community-Based Data Collection details ways in which CETA programs can participate in data collection. In developing a NAPSIP project, you will require not only basic data about the reservation, its people and other resources; you will also need to solicit community input in general and gather information necessary to complete the project (e.g., training requirements, instructors, curriculum; scheduling constraints, etc.).

Step 5--*Seek out alternative funding sources.* Work with reservation planners and developers to examine and develop other sources of funds to be used in tandem with your NAPSIP grant. Consider such places as foundations, churches, etc.; other federal and state departments and agencies (e.g., the Department of Energy, which might be able to fund a project that is "energy efficient"); and even private financing. Perhaps the tribe could commit tribal funds to a project; such a move would go far toward convincing a funding agency to take a chance when it otherwise might not. Other important sources of funds are Balance of State or local II-B Prime Sponsor Title VII funds. Since they have had some difficulty using their Title VII funds, non-Indian prime sponsors might be interested in funding an Indian program. CETA directors should seek appointments to local non-Indian PICs to get inside information about Title VII in general as well as put the reservation in a position to secure some Title VII funds.

Step 6--*Plan the project.* Take care to develop all project activities, a staffing and management plan, and a comprehensive work program. Responsibilities and roles of the staff, trainees, PIC, enterprise or business, and any other important actors should be identified. A process for monitoring performance and evaluating results should be included. Contingency plans should be prepared to address such problems as receiving an award that is less than your request (what elements can be cut?), other grant funds arriving late (what can be done while you are waiting?); no funds are received (what can you do with your normal CETA allotment; what about Balance of State funds, etc.?).

Step 7--*Respond to the request.* If you have completed steps 1-5 well in advance, when the call comes from DINAP for projects, you will be able to respond easily. If the application is rejected by DINAP, don't throw it away. Use it to build on, and send a better one the following year.

Community and economic development takes time. The Moapa tribe took four years to develop their greenhouse and over ten years to get to the position to attempt it. The tribe that is just beginning development or changing directions away from past failures must give itself time and be persevering in the process of finding the most appropriate path to development.

√ Involve the Community

The Tlingit-Haida and Moapa experiences demonstrate that community support is essential to successful development. Unless community members are involved in articulating their needs in a community planning process, they often can and will reject that development process and its eventual results. Communities that are involved in that process have a greater understanding of the end product, are more willing to make individual sacrifices to achieve community goals, and can share in the pride and satisfaction once a project is completed.

Inviting community representation on boards or commissions such as the PIC is one way of involving the community. Conducting surveys to learn of community

concerns is another. A third is to convene meetings to inform the people of the development plans and to give them an opportunity to comment. The important objective is to take the community into consideration in the community and economic development process.

CONCLUSION

This handbook has been prepared to inform Indian CETA programs of some of the ways CETA funds have been used in the past to support reservation development and to suggest ways in which it can be used in the future.

Reservation economic development has a life of its own and goes at its own pace, a product of circumstances, individuals and timing. In the most successful examples discussed, the desire for development and self-sufficiency has been strong; with each success or experience with problems, the tribes have gained confidence and expertise. They have been particularly successful in using CETA and other resources to initiate, stimulate and support long-term development. It is hoped that this handbook provides some useful information and ideas to assist tribal CETA staff, planners and tribal councils and those who work with them to do the same.

APPENDIX A

TLINGIT-HAIDA NAPSIP DOCUMENTS

- √ "PLAN OF ACTION FOR PROPOSAL DEVELOPMENT," TLINGIT-HAIDA MANPOWER DIVISION, 1979

- √ "MEMORANDUM OF AGREEMENT" BETWEEN TLINGIT-HAIDA PSIP PROGRAM AND SUBCONTRACTORS

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APPENDIX A-1

Tlingit & Haida Manpower Division

Native American Private Sector Initiatives Program

PLAN OF ACTION FOR PROPOSAL DEVELOPMENT

I. INTRODUCTION

The Tlingit & Haida Manpower Division is working in conjunction with the Sitka Community Association in the development of a CETA Title VII Native American Private Sector Initiatives Program proposal. The main thrust of the program will be to work through the profit corporations as established under the Alaska Native Claims Settlement Act. Through feedback from the village corporations, a program will be designed to suit their specific needs. It is anticipated that feedback will give definite indication that corporation employment and training needs will be professional in nature. The following goals and objectives and implementation steps will outline a time frame for the total development and submittal of the proposal.

II. GOALS, OBJECTIVES & METHODOLOGY

A. GOAL - To develop a CETA Title VII proposal which will work through the village corporations, as established under the Alaska Native Claims Settlement Act, in increasing employment and training opportunities.

1) Objective One - Contact will me made with the village corporations to obtain private sector manpower statistics necessary to the determining of program direction.

   a. Methodology - A survey will be drafted and sent to the village corporations by March 9, 1979.

   b. Methodology - Follow-up will be done on the survey by March 14.

   c. Methodology - The gathered statistics will be incorporated into the proposal.

2) Objective Two - A listing of all Native-owned businesses for profit in Southeast Alaska will be compiled and utilized in developing an alternative program components (elements) for the proposal.

   a. Methodology - Tlingit & Haida CETA Coordinators will be contacted by March 1 for assistance in this effort.

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b. Methodology - List will be completed by March 30 for inclusion in the grant proposal.

3) Objective Three - Letters of support and/or recommendation will be solicited from the communities.

a. Methodology - At the time of follow-up on the manpower survey (prior to March 14) a request will be made to the village corporations for letters of support/ recommendation.

b. Methodology - Sample letters of support or recommendation will be sent to the village corporations by March 16, 1979.

c. Methodology - Community CETA Coordinators will be asked to assist in this effort, as well, by contacting other community organizations for support.

d. Methodology - Communities will be asked to have letters in by April 1, if possible.

4) Objective Four - Communities will be asked what type of program they would like to participate in (i.e. OJT, OJT and classroom training).

a. Methodology - This will be included in the manpower survey.

b. Methodology - Results will be incorporated into the grant proposal.

B. GOAL - To establish a Private Industry Council (PIC) to assist in the development of the CETA Title VII proposal and to monitor program implementation upon grant award.

1) Objective One - The Private Industry Council members will have been appointed by March 15, 1979.

a. Methodology - At the time contact is made with the village corporations (prior to March 14) the Manpower Division will also identify individuals interested in serving on the council.

b. Methodology - Letters of Appointment will be sent out on March 15, 1979.

2) Objective Two - The first meeting of the PIC will be held prior to March 23, 1979.

   a. Methodology - March 19-23 will be advanced to PIC members as a possible meeting dates upon their appointment to the council.

   b. Methodology - The date will be confirmed in the Letters of Appointment which are sent out (March 15).

3) Objective Three - The proposal outline will be presented to the PIC at the first meeting.

4) Objective Four - The draft proposal will be sent to PIC members for review and comment by March 31.

   a. Methodology - Feedback will be transmitted by phone.

   b. Methodology - The proposal will be finalized according to feedback. Copies of the final proposal will be sent out to PIC members at the same time the proposal is formally submitted.

APPENDIX A-2

MEMORANDUM OF AGREEMENT
Between
Tlingit & Haida Manpower Division
One Sealaska Plaza, Suite 200
Juneau, Alaska 99801

and

_____

_____

_____

PURPOSE

The Tlingit & Haida Manpower Division, hereinafter referred to as the Manpower Division, and_____, hereinafter referred to as the Subcontractor, do hereby agree to the following provisions and conditions for the Subcontractor's utilization of their $_____CETA Title VII allocation, as awarded by the Manpower Division for the purposes of employing and training in_____. (Example insert "resource development and planning".)

TERMS

1) The Manpower Division will keep the Subcontractor apprised of any changes in law, regulation or funding which may affect their program.

2) The Subcontractor will assure that they are in compliance with eligibility requirements, as outlined by the Manpower Division.

3) The Subcontractor will make every effort to employ those individuals being trained and employed by Title VII dollars in unsubsidized positions once training is complete.

4) The Manpower Division will certify all positions utilized in this program as being suitable under the Native American Private Sector Initiatives Program (CETA TITLE VII).

5) The Subcontractor will pay wages, fringe benefits, and furnish Workmen's Compensation coverage for any eligible participant hired into the certified positions during the life of this Agreement.

6) It is understood that the payments referred to in Item 5 may not exceed the limits as established by the Federal Regulations governing the use of CETA funds.

7) The Manpower Division will retain the authority of determining the eligibility of any individual hired into the position(s) and shall not be held liable for any payments to an ineligible participant after it has notified the Subcontractor in writing of the individual's ineligibility.

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DURATION

This Agreement becomes effective immediately upon both authorized signatories affixing their signatures to the Agreement and will continue to be in effect until _____.

The Tlingit & Haida Manpower Division reserves the right to terminate this Agreement at any time during the life of the Agreement should a shortage of funds occur or if the Subcontractor fails to comply with any of the provisions of this Agreement.

POSITION COVERAGE

Position	Starting Date	Termination Date	Hours/ Week	CETA Wage

(Attached Position Description(s) are an official part of this document.)

SPECIAL TRAINING PROVISIONS

(EXPLANATION: Should both parties agree that formal classroom training is necessary for the CETA participant to be able to function effectively, training schedules will be attached hereto and made an official part of this document. Training costs will then be incorporated into the budget plan to allow for proper reimbursement.)

BUDGET PLAN

(EXPLANATION: Will be developed jointly by both parties upon determining eligible participants, training needs, etc.)

REIMBURSEMENT/ADVANCE SCHEDULE

(EXPLANATION: Once the Budget Plan is developed the Subcontractor has 3 options. We can totally handle all payments/expenses out of the Central Council office; we can advance monies to the Subcontractor at a pre-determined rate; or, the Subcontractor can incur costs and be reimbursed on a monthly basis. If the Subcontractor decides on the third option, billings will be submitted on our "Manpower Division Monthly Billing Form" (to be developed).

REPORTING REQUIREMENTS

A brief written statement giving the training status of all CETA participants under this program will be submitted on a monthly basis.

AMENDMENTS

Amendments to this Agreement may only be made with the express approval and authorization of the Director of the Tlingit & Haida Manpower Division.

CERTIFICATION

With the understanding that both parties will honor all terms of this Agreement, this Memorandum of Agreement is hereby executed on this_____day of_____, 19___.

_____
Authorized Manpower Division Signature

_____
Authorized Signature for Subcontractor

APPENDIX B

WORKBOOK ON NATIVE AMERICAN PRIVATE SECTOR INITIATIVE PROGRAM 1979

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FOREWARD

The Native American Private Sector Initiative Program, Title VII of CETA, is intended to provide funding to selected Title III grantees in order to increase the impact of CETA on employment in the private sector. Currently public employment programs operated under Title II and VI account for approximately half of all CETA participants. It is the intention of NAPSIP to reemphasize the goal of unsubsidized employment in the private sector with a major focus on the involvement of representatives of the business community in the design and operation of programs.

This NAPSIP Application Workbook is intended to provide an introduction and overview of NAPSIP and to indicate the steps involved in preparing the proposal for NAPSIP funding. In developing the workbook, we have tried to answer the questions most often asked about NAPSIP since it was first introduced. We have used the various documents available on NAPSIP and have conducted interviews with various Department of Labor officials and concerned Native American grantees. It should be remembered that NAPSIP-Title VII is still being developed and changes can be expected. It is hoped that the workbook will be useful to interested Native American grantees.

The workbook is organized into five sections. The first is an overview of NAPSIP in general. The second part is a fact sheet which answers specific questions on NAPSIP and compares NAPSIP with the non-Indian PSIP Title VII CETA program. The third part is a suggested process for applicants to use in preparing a NAPSIP proposal. The last two sections are examples of program activities which applicants may wish to consider. The fourth deals with descriptions of excellent programs developed by Native American CETA grantees either through the Economic Stimulus Program or through normal CETA operations. The fifth is concerned with presentations of possible program activities which are appropriate for Native American grantees given the guidelines established by the Department of Labor for NAPSIP-Title VII.

OVERVIEW

As part of the overall efforts on the federal level to support economic development activities for Native Americans, the Private Sector Initiatives Program (PSIP), Title VII of the Comprehensive Employment and Training Act (CETA), will attempt to provide a better fit between public sector employability programs and unsubsidized jobs in the private sector. Title VII has two major goals:

- to increase involvement of the private sector in CETA programs;
- to increase private sector employment opportunities for eligible persons

The ultimate goal is to increase private sector involvement in CETA-related employment and economic development programs which attempt to meet the needs of Native Americans for jobs and income.

Title VII works in two ways: first by requiring the creation of private industry councils (PIC) by Native American grantees, and secondly by providing funding specifically for private sector employment efforts.

The Native American Private Sector Initiatives Program (NAPSIP) differs from the national PSIP in only one major respect: the NAPSIP grants will be awarded on a competitive basis. Other, minor differences between NAPSIP and national PSIP will be discussed in a later section of this workbook.

Both Native American grantees and prime sponsors are required to establish Private Industry Councils in order to receive funding under Title VII. Essentially, PICs will be planning and operational groups, appointed by the grantee, the majority of whose members will come from the private sector. For the NAPSIP, tribal enterprises will be considered in the private sector (Hence, implementation of tribal enterprises can and should serve on the PIC).

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It is expected that the composition and activities of PICs will vary a great deal. PICs for Native American grantees need not be similar and also need not copy non-Indian prime sponsor PICs. The central idea is that PICs be responsive to local conditions in the private sector in order to create employment opportunities.

CETA regulations have an extensive list of functions for the Private Industry Councils. The Native American grantee that wishes to apply for Title VII funds should note the following major functions: 1) Planning and Coordination, 2) Operations, and 3) Monitoring and Evaluation. There are many options available to the Title VII grantee in carrying out these functions. Because the PIC/grantee relationship is intended to be mutually supportive, Native American CETA grantee staff can and should carry out many of these functions. However, since the PIC can have a staff of its own, it could also perform these tasks internally. This issue is determined by the grantee. Other federal, state and local agencies could also be utilized by the grantee in a cooperative capacity. Recognizing the difficulty in carrying out many of the functions specified by the regulations for Title VII in rural areas (urban areas, too, for that matter), the functions of the PIC need not fit any set pattern. For example, Title VII functions should be considered as more than another on-the-job training program. Private employers, the grantee, and members of the PIC can create an OJT program to fit the particular needs of specific private employers. The proposed program would be one of the "elements" of the Title VII proposal that will be reviewed below. There are two differences between the NAPSIP and programs currently operating to serve the labor supply needs of the private sector operated under CETA Title III:

- private sector representatives are directly involved in the creation of employability programs.
- Title VII PSIP is a demonstration program and grantee innovation in project, "element", design is not only permitted but encouraged by the national office.

There are several activities and programs that can be carried out by PICs

that are not usually operated under Title III. Among the more interesting possibilities are:

- small business internships
- developing on-the-job training arrangements with private employers
- assisting in the plans and grant applications of other programs engaged in local economic development

(Some of these and other kinds of programs were developed under the Native American Economic Stimulus Program. Several of these programs are discussed in another section of this report.)

The PIC may contract with private organizations to carry out these functions. However, if members of the PIC are also associated with the contracted organization, the grantee will have final authority on the arrangement. Which leads to an important aspect of the PIC/grantee relationship: while the PIC may, if it wishes, operate programs itself, the grantee is accountable for the expenditures and activities of the PIC. The PIC should recognize this responsibility of the grantee. Program planning and operation activities of the PIC should therefore always be made in cooperation with the grantee.

During 1978 a private contractor reported on the implementation of the PSIP in twelve test sites* of thirty-four selected by the Department of Labor. As noted in the report distributed to all Native American CETA grantees, the planning and operation activities of the PIC should be carried out on a cooperative basis with the grantee. Cooperation, however, can be had in many different forms. The test site report found three principal models of PIC/grantee relations.

In two of the sites the private sector led in the formation of the PIC and, in effect, had control independent of the prime sponsor. While it is encouraging that the private sector will take an interest in publically funded employment programs, it remains to be seen how much a PIC/grantee relationship will be maintained in light of regulation requiring grantee accountability for PIC activities.

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*Corporation for Public/Private Ventures, Private Industry Council Development, October, 1978.

A second model, derived from five sites, reflected the control of the PIC by the prime sponsor. In this model the PIC is assigned planning and review functions by the prime sponsor which also chooses the membership of the PIC. Stress on the dominant relationship to the PIC could well develop with the possibility of direct operation of private sector employment programs by the PIC. It is expected that most PIC's will be organized, supported and controlled by the Native American grantee.

The remaining sites demonstrated active participation by both sectors in joint PSIP planning. A crucial feature of the joint planning model has been the nature of personal relationships among members of the business community. Though this model offers much promise for Title VII implementation, how it might function in rural areas (none of the test sites were rural) and in business communities with poor channels of communication, remains a major question. However, on most small to medium-sized reservations CETA program staff are usually familiar and friendly with the major enterprise managers and other private sector employers. Hence, many Native American PICs probably will be formed with the joint cooperation of the CETA Program and private sector representatives of tribal enterprises.

Title III grantees that wish to apply for funding under Title VII will decide what type of PIC/grantee relationship best suits their local needs taking into account both the business and political environment in their area.

Part 3 of this Workbook suggests that steps a grantee could take in applying for PSIP grant. It cannot be too strongly emphasized that the type of grantee/PIC relationship that is developed is the creation of the Title III grantee. Given the basic requirements of PIC size (minimum of 7 members, representatives of labor, CBO's, etc.) and composition, whatever organization will work best in the grantee's jurisdiction will be acceptable for the purposes of the Title VII proposal.

FACT SHEET ON NAPSIP

QUESTIONS AND ANSWERS ON NAPSIP

How Much Money is Involved?

A minimum of $8 million has been reserved for NAPSIP. However, depending on demand, this amount may increase. This money is expected to be appropriated by Congress in March 1979.

How will the Money be Distributed to Native American CETA grantees.

A competitive process will be used. Eligible applicants will have until May 30, 1979, to submit proposals.

Who is Eligible to Apply for NAPSIP Funds?

Only grantees presently administering Title III Native American programs under Section 302(c)(1)(A)(B) can apply. These are Federal and State Indian reservations, Oklahoma Indians, Alaska Native Villages or groups, and Native Hawaiians. Where an eligible tribe, band or group is a member of a CETA consortium but desires to apply for a program, the application must be submitted by the consortium grantee.

How is Private Sector Involvement Implemented?

Through the formation of a Private Industry Council (PIC). The grantee, in order to apply for Title VII funds, must establish a PIC by selecting members of the business community and representatives of other groups oriented to the private sector. Once selected the PIC must be involved in the planning/application process and in the implementation and operation of the program. It can itself serve as the delivery agent (sub-contractor) for the grantee and become a legal corporation if it so desires.

Will the Presence of a Private Industry Council Take Away Grantee or Tribal Council Authority to Manage CETA Programs?

No. The grantee appoints the members of the PIC. Also the grantee is responsible to the national office for all funds spent for Title VII activities.

Though it is possible for the PIC to operate a program as a sub-contractor to the grantee, the relationship between the PIC and grantee is cooperative with the grantee having final fiscal responsibility. It should be noted, however, that proposed program activities developed jointly by the grantee and the PIC must be implemented once the proposal is funded. The grantee may not cancel proposed Title VII projects or initiate new ones without the participation of the PIC.

Can Other Groups Interested in the Indian and Native American Economy Help the Grantee?

Yes. First it should be noted that many groups that can help may and should be represented on the PIC. Union representatives, educators, etc. can not only assist in operating Title VII programs, but may be actively involved in planning as well. However, if PIC members are associated with any private organizations who receive Title VII funds the grantee has final approval on all such projects.

How Can Private Industry Council Members and Other Interested Parties Assist the Grantee?

Specifically by helping develop programs or "elements" for the Title VII proposal. "Elements", as they are termed, are subparts (subgrants) to the overall proposal. Each element in a proposal will receive a separate evaluation and rating. Consequently the participation of representatives of business, organized labor, and community based organizations in the design and eventual operation of the proposed elements would serve to underline their potential effectiveness.

How Does NAPSIP, Title VII, relate to other Titles within CETA?

Primarily the difference between Title VII and III is that new programs not usually operated under Title III are encouraged, e.g., small business internships, linking with economic development, etc. Interagency program linkages are also encouraged. There are several more specific differences:

1) For Title VII there is a waiver provision which allows grantees to request the DOL to permit methods of reimbursing private for-profit organizations in

ways now allowed in the Regulations for other CETA titles.

2) Services may be classified as "Employment generating services" for Title VII purposes only. Though not more than 50 percent of Title VII funds can be used for "employment generating services" there is greater flexibility in the design of the program elements that will be proposed. (See discussion of possible activities below.)

3) Appropriation of Title III and VI funds can be set aside for Title VII activities. Grantees and PIC's can plan for the utilization of funds allocated from these two titles. It should be noted that Title II and VI funds used for VII purposes have the same limitation on expenditures for services as if they were not being used for Title VII activities.

4) Eligibility is the same for Title VII NAPSIP as for Title III, e.g., persons who are unemployed, underemployed, or in-school youth with one major exception. In the Title VII NAPSIP upgrading of otherwise ineligible persons up to 10% of Title VII funds can be used to upgrade individuals. This upgrading provision could allow for the development of managerial talent, or other skilled labor, which would contribute to the overall economic development goals set by the grantee.

Can Native American Grantees Band Together and Form a Single PIC and Submit a Single Proposal?

Yes. In fact, this is strongly encouraged. Extra points in the evaluation will be given to those Native American grantees who do this. An important note on such cooperative activities is that one of the prime sponsors be selected as the administrative arm. Reporting requirements for two or more grantees which establish a single PIC have not yet been determined. These multi-jurisdictional PIC's will receive special consideration in the funding process based in part on the degree of the labor market covered. Roughly 75% of the labor market or greater would be required to qualify the grantees for extra points in the evaluation of proposals.

Is the NAPSIP Similar to the NAESP (Native American Economic Stimulus Program

Yes, it is similar. Both have as a main goal the creation of a permanent, unsubsidized jobs through business and economic development. Certain NAESP

type proposals may be submitted as "elements" in a NAPSIP proposal, if both the Native American grantee and PIC concur.

The Major Differences are These:

a. In most cases, categories such as paramedical or paralegal would not be eligible, since these categories usually deal with social services. A guiding rule of thumb is that if the tribal business enterprise is set up to make a profit, it is eligible for NAPSIP assistance.

b. A PIC must be established before a proposal can be submitted. The PIC must stay in existence to assist in the implementation of the project after grant award. This is in the law. Native American grantees desiring NAPSIP funds must have a commitment to an effective, on-going PIC.

   NAESP had no such requirements.

How Will Grant Awards be Determined?

All proposals and their elements will receive an objective evaluation and rating by a nonprofit institution selected by the Department of Labor. Recommendations on funding will be made to the Director, DINAP who will make the grant awards.

In Addition to this Workbook, what Material Should be Reviewed by a Potential Title VII Applicant?

- CETA Title VII regulations (in Federal Register by the first week in April)
- Indian and Native American Programs (DINAP) Bulletin 79-5, "Announcement of the NAPSIP and Transmittal of a Solicitation for Grant Application for the NAPSIP." This document describes PSIP and gives directions on the application process. Also review DINAP Bulletins 79-10 and 79-16.

COMPARISON OF NAPSIP AND REGULAR NON-INDIAN PSIP

	PSIP*	NAPSIP**
Grant	Block 400 million requested	Competitive 2% of total $8 million minimum
Grant size for PIC planning	$25,000 block	$2,000 block
PIC	Necessary for funding	Same (see DINAP Bull. 79-5)
NAESP	N/A	Similar
Tribal business	N/A	Is considered a private business
Date proposal due	N/A	May 30
Training	Can be provided by private non-profit CBOs as well as OJT	Same
Who can apply	All prime sponsors	Grantees administering Native American Indian Programs under Title III
Differences with Title IIB***	PIC and exclusive private sector focus. In other respects they are technically similar in function, eligibility, allowable activities, plan review and comment requirements, reporting, etc.	Native American grantees are eligible for IIB.
New aspects distinguishing IIB from VIII	New programs not usually operated under Title I are encouraged, e.g., small business internships, linking with economic development. Encourages interagency program links.	Same

*From Proposed Regulations and ETA/DOL officials.
**From Draft Regulations and DINAP Bulletin 79-5.
***Title II combines the previous Titles I and II. Title IIB is basically the old Title I program providing training opportunities for the economically disadvantaged. Also note: Native Americans now have separate regulations.

	PSIP	NAPSIP
Role of PIC	PIC and prime must concur in Plan. PIC has more authority than Planning Council.	Same. PIC not subordinate to planning council, if such a council exists.
Reimbursing private for profit organization	There is a waiver provision which allows primes to request the DOL to permit methods for reimburisng private for-profit organizations in ways not now allowed in the Regs. (Waiver requests will be handled at national level, with requests coming through the regions.)	Same
Services	May be classified as "employment generating services" for VIII only.	Same
Type of activities	All as in IIB as long as the goal is private sector employment. OJT can be done as a supplement to OJT under IIB	
	Up to Primes and PICs to determine specifics. Title VII is not expected to be just a straight OJT program.	Same
Accountability	Primes are accountable and are ultimately liable for funds spent.	Same
Multi-jurisdictional PICs	Incentive funding for multi-jurisdictional PICs will be based on degree of labor market covered. Reporting requirements for two or more prime sponsors which establish a single PIC have not yet been determined. 75% of labor market or more.	Same
Inter-title transfer	IIB and VI funds can be set aside for Title VIII activities. In other words PICs can plan for the utilization of funds allocated from these two titles.	Same

	PSIP	NAPSIP
Eligibility	Same as Title II-B; persons who are unemployed, under-employed, or in-school youth. NOTE: upgrading not allowed if not economically disadvantaged.	Same, except upgrading allowed if not in excess of 10% of funds or participants, whichever is greater.

STEPS IN APPLYING FOR A

NATIVE AMERICAN PRIVATE SECTOR INITIATIVES PROGRAM GRANT

This section provides some ideas about how to prepare a NAPSIP grant application, who to include in the planning process, who to include on the PIC, and how to secure the commitment of desired participants in the PIC, planning and project implementation.

Step 1

CETA Director and CETA staff and Tribal Council: Review all DINAP materials relating to both Native American and non-Native American PSIP projects, including DINAP Bulletins 79-5, 79-10 and 79-16, and the summary report on non-Native American Private Industry Council Development.

Step 2

Tribal Council/CETA Director: Decide about the structure and role of the PIC and its relationship to NAPSIP project planning and application development. The PIC can have its own staff for planning or serve rather as an advisory body to the CETA Department.

Step 3

The Tribal Council or the Executive Board of a consortium, alone or in conjunction with the CETA office, selects the Private Industry Council (PIC). The Tribal Council/ Executive Board can select a temporary chairperson of the PIC or wait until the entire PIC is formed before selecting a permanent chairperson. One function of a temporary chairperson is to assist in identifying and enlisting individuals to serve on the PIC. A tribal business representative may be selected to serve in this position. Members of the PIC must include at least 50 percent private sector representation. Tribal for-profit enterprises are considered as the private sector, as well as other Indian or non-Indian owned private corporations on or off the reservation.

a) Potential private sector representatives include:

- Project managers of tribal enterprises, such as a farm project, store, timber plant, motel/hotel operation, manufacturing plant, etc.
- Private Indian-owned businesses located on or off the reservation
- Private non-Indian owned businesses on or off the reservation
- Representatives from banks and other financial institutions

b) Other members of the PIC should include:

- Labor union representatives
- Representative from a community-based organization--can include Tribal social services departments, legal services program, etc.
- Representative from the education community--Tribal education department, local community college, university, etc.
- Representative, if possible, from the Title II B or Balance-of-State Prime Sponsor

Step 4

CETA Director and/or Title VII (PIC) staff: Meet with individuals/groups involved in tribal economic development, including planning, training and project management elements, to discuss the potential economic impact of PSIP, to identify potential program and profit linkages, to coordinate funding and training, and to tie PSIP to tribal economic development priorities.

a) On the reservation these can include:

- EDA-funded planners
- HUD-funded planners
- other planners
- tribal enterprise project managers
- tribal business and finance managers
- Housing Authority Director/staff
- Tribal Education Department Director/staff
- BIA employment assistance officers
- Indian Action Team Directors and Trainers
- Tribal Employment Rights office

b) For consortia Prime Sponsors these can include:

- Executive Board
- Tribal CETA coordinators
- Tribal Planners
- Tribal Project Managers
- EDA-funded Planning Department, if also in same or complementary consortium

- Regional Housing Authority staff
- Representatives of federal agencies supporting tribal economic development, such as EDA, HUD, BIA and IHS.

Step 5

If desirable, CETA director and staff meet with non-Indian and/or off-reservation individuals/groups who are interested in and sensitive to tribal economic development, to inform them of the advantages of Title VII, and to secure their participation in potential projects.

a) These can include, for the private sector (other than tribal enterprises):

- Non-Indian private employers, either on or off the reservation
- Indian-owned private companies or enterprises, either on or off the reservation
- Representatives of labor and trade unions, such as local, regional or state-wide AFL-CIO offices

b) These can include, for other employment and training linkages:

- Local community colleges and other post-secondary institutions
- Private non-profit training organizations, such as skills centers
- Private for-profit training organizations
- Other Indian training organizations, such as the Lummi School of Aquaculture
- Title II-B prime sponsors and Balance of State prime sponsors
- Urban Indian prime sponsors
- A reservation prime sponsor can link up with a consortium prime sponsor
- consortia prime sponsors can link up with other consortia prime sponsors

c) These can include other entities involved in local, regional or statewide planning project development and public works:

- Planning Councils and Commissions
- A-95 Clearinghouse Review Committees
- Economic Development Districts
- Federal agency representatives--EDA, HUD, FmHA

Step 6

CETA staff and PIC mutually concur on priorities for project development and preparation of a proposal containing desired elements.

Step 7

PIC/Title VII staff/CETA office staff: Prepare proposal. Sections IV and V of this workbook include descriptions of exemplary elements, planning and proposal preparation processes--such as utilization of NAESP--that can be of help in NAPSIP proposal development. Some elements may already exist as NAESP projects and require little modification for the NAPSIP proposal. Other elements of the proposal may have to be developed to meet new or expanding job opportunities in the private sector.

Step 8

Prepare draft proposal using DINAP Bulletin 79-5 and review with the PIC.

Step 9

Prepare final proposal and send, with a cover letter of support from the PIC, to DINAP.

EXAMPLES OF EXCELLENT PROGRAMS DEVELOPED BY NATIVE AMERICAN GRANTEES

This section provides descriptions of exemplary projects or elements which involve the planning and coordination of CETA with economic development activities on reservations. They were selected because of their relevance for the development of NAPSIP projects or elements. The examples relate to both reservation and consortia prime sponsors. Additional examples of program activities that can be operated with Title VII funds are presented in the last section of this workbook.

TRIBE: Moapa Band of Paiute Indians

PRIME SPONSOR: Inter-Tribal Council of Nevada

EXEMPLARY ELEMENT: Tomato Greenhouse/NAESP Agriculture

The Tribe is currently developing a tomato greenhouse project which will be the major base for future tribal economic self-sufficiency. This project is jointly funded by DOL/DINAP, HUD, EDA and the Tribe. The Moapa reservation is located in the Southwest in a semi-arid climate, approximately 55 miles from Las Vegas.

PROJECT DESCRIPTION

The Tribe recently constructed its first greenhouse of 1/2 acre with $160,000 from the Tribe's Settlement Fund reserve. DINAP's NAESP agriculture grant provided $365,000 for training and represented the first of the federal commitments as well as leveraging support from the other agencies. HUD provided funding for a two year (comprehensive) Community Development Block Grant. Year one CDBG funding of $570,000 will be used for construction of additional greenhouses. EDA is expected to provide $680,000 for a packing shed complex. The project will eventually have several greenhouses covering 15 acres and will provide for approximately 75 permanent jobs. There is a strong local market approximately 55 miles away, and with large-scale production the Tribe eventually will market nationally and possibly internationally.

BACKGROUND

In 1968 the Tribe began its first agricultural enterprise. Since that time the development of agricultural resources has been a high priority for the Tribe, whose current natural resource base is limited. The Tribe has gained experience and confidence through management of its farm, tribal construction company, store and leather goods company. The Tribe has been interested in economic development, has enjoyed consistent tribal leadership, has an active Tribal Council which meets weekly, and has worked closely with its CETA consortium resource developer for a number of years. The Tribe has managed federally-supported projects/programs to the satisfaction of its grantor agencies and is very thorough in its preparation of proposals.

Project Development and the Planning Process

The development of the Tribe's agricultural resources was a high priority, and tribal members were interested in developing skills in agriculture. The greenhouse project evolved over time. The CETA resource developer was sought out by a person who had been involved in greenhouse production in Israel, on a kibbutz, and who was interested in replicating his experience in this country. He located in a region similar geographically to the Israeli climate. This individual (now the NAESP greenhouse project manager/trainer) chose to work with the Tribe because the reservation economic structure closely approximates the kibbutz model and provides a good vehicle for operating a cooperative greenhouse.

At the outset the Tribe was supportive of the project concept. Over the next several months the community resource developer worked with the Tribal Council and the greenhouse manager to develop the project. The manager knew all the technical aspects of project development and implementation, and the resource developer was adept at identifying and working with potential federal funding agencies. The proposal included an economic feasibility analysis and marketing data. A crucial element in receiving federal agency support was the tribal commitment of its own resources for the construction of the first building.

The Tribe stresses that the development of a successful project is a long process and depends on many variables, which are often unique to an individual tribe. Although NAESP seemed tailor-made for the greenhouse project, the project was developed before NAESP, and the Tribe was successfu in linking the project to NAESP.

Elements Which Could Be Used In Developing a NAPSIP Project

1. Develop a project which is consistent with tribal economic development priorities and which is built upon previous tribal experiences if possible.
2. Commit tribal funds to the project, if possible, which assures the funding agents of tribal commitment and involvement.
3. Interested applicants should use potential trainers/employers where possible in project and proposal development. At Moapa the development entity is the Tribe. The NAESP manager/trainer is highly skilled in the technical aspects of the project and assisted in the development of the proposal.

4. Where possible, use tribal funds to leverage support from federal agencies. The Moapa did this and coordinated support from several agencies--DOL/DINAP, HUD and EDA--rather than seeking support from only one funding source. Coordination is strongly encouraged. PIC and CETA staff should work with EDA planners and those involved in tribal economic development to identify potential sources of additional project support, especially for physical development.

TRIBE: Spokane

PRIME SPONSOR: Eastern Washington Indian Consortium (EWIC)

EXEMPLARY ELEMENT: CETA Planning Process and NAESP Planning Process; CETA Research Director

Organized planning and economic development efforts have been underway at Spokane for almost eleven years. In 1967 the tribe was awarded a $6.7 million land claims settlement, which has been used for a land purchase program, tribal investments (especially in timber), scholarship program, and tribal credit program. Currently the tribe's first priority is the development of agricultural resources. EDA gave two public works grants in FY 1977 for site clearing, land preparation, barn construction, and the purchase of equipment and machinery. This will support the development of 1,800 acres of a potential 20,000 acre irrigatible farming operation. The acreage will be served by a $6,000,000 irrigation system provided by the Bureau of Reclamation in settlement of one of the tribe's claims against the Department of Interior. In FY 1978, EDA will fund Phase II of the Tribe's farm and range projects.

CETA Planning Process

The Spokane Tribal Council is very aware of the need for a comprehensive and interrelated approach to human, natural and financial resource development. There is a strong emphasis on maximizing program and funding linkages to implement the projects and objectives of the tribe.

CETA is linked explicitly to the overall tribal planning effort through the OEDP process and constant interaction of tribal staff planners, CETA representative, department heads and Tribal Council. OEDP priorities are clearly defined by projects and CETA positions are allocated in line with OEDP priorities. While CETA supports tribal administration and enterprise management, the most recent and illustrative example of CETA-OEDP linkage was in the NAESP grant, where CETA was tied into the tribe's number one econmic development priority, agriculture. This project linked CETA to EDA, Bureau of Reclamation and tribal resources and was highly coordinated due to CETA and EDA planner involvement.

Spokane is assisted in this effort by the strong planning activities of its consortium, EWIC. EWIC has a research director who works with the Board of Directors and individual tribal planners, seeking funds from other sources of funding and linking CETA with economic dedevelopment planning. Spokane recently gave EWIC a CETA trainee to be used cooperatively in developing updated demographic statistics for use in program planning, proposals and as a basis for more accurate funding.

NAESP Planning Process

Planning for the NAESP was similar to the normal planning process. In this case the EWIC Research Director met with each tribal council and explained the program, then met with department managers (line chiefs), discussing what could be done and how it would benefit total tribal efforts. Ideas were brought to the Tribal Council and prioritized. Agriculture was a natural for Spokane since their agricultural project had been a priority for so long. The EWIC Research Director met with the Tribal Council, the tribal planner, the CETA representative and the Farm Director and subsequently wrote the narrative for NAESP.

Spokane received a $105,982 FY 1977 NAESP grant for agricultural management training and employment. This grant links CETA explicitly to the reservation's top OEDP priority, agricultural development, which is currently funded by EDA, and also the Bureau of Reclamation which is providing $6.2 million for an irrigation system. CETA trainees are being used on the construction of this irrigation system. This project is also linked to the BIA, the Indian Action Team Carpentry Program, the Tribal Learning Center, Washington State University, and the Stevens County Extension Service.

Elements Which Could be Used in Developing a NAPSIP Project

1. Develop a close coordinative relationship between CETA and EDA staff. At Spokane this coordination fostered and facilitated the development of linkages and a progressive planning structure, both for the Tribe and for the consortium.

2. Fund the position of Research Director, which would be extremely helpful in the areas of proposal writing, grantsmanship and tribal economic development. This person can assume the lead in the development of NAPSIP projects

and creates links to the private sector/tribal enterprises. A planning structure which includes a Research Director can be replicated by a consortium of any size or a larger tribe Prime Sponsor and is particularly effective in special program response, such as NAESP, and for general support as well. This type of position creates a specific link between CETA and economic development planning.

3. Fund the position of a CETA statistician, useful for both CETA and EDA-funded manpower planning as well as overall tribal development. This person can support PIC activities in developing information about manpower skills and needs working with both potential trainees and prospective employers.

PRIME SPONSOR: Central Council of the Tlingit and Haida (Southeast Region, Alaska)

EXEMPLARY ELEMENT: NAESP Planning and Linkages to For-Profit Regional and Village Corporations.

Alaskan Native American communities are different from Native American reservations. A dichotomy exists in Alaska between village and regional for-profit corporations, which have land and capital through the Settlement Act, and the non-profit corporations which are eligible for EDA-funded planning and projects, a dichotomy not present on Indian reservations in the "Lower 48" where tribal governments can engage in both for-profit and non-profit activities. It is difficult for the non-profit corporations to develop training plans to meet the needs of the for-profits corporations. Future planning efforts must be for projects oriented toward generation of private investment for the for-profit village corporations and linking Federal and State agencies and village and regional for-profit and non-profit corporations.

NAESP provided the first opportunity to train Native Alaskans to operate projects being planned for implementation by the village and regional for-profit corporations. NASIP provides an excellent opportunity to link CETA training to the manpower needs of these for-profit corporations as projects are developed especially in the areas of tourism, and fisheries and timber-related activities.

The non-profit Southeast Regional Central Council of the Tlingit and Haida (CCTH) administers the CETA program for 15 rural and five urban communities. The process used to develop NAESP proposals can be used by other Native Alaskan prime sponsors for implementing regional NAPSIP projects.

The NAESP Planning Process

The three Round II NAESP proposals were prepared by the CETA Director. The fisheries and timber projects were long standing and well-defined needs. The CETA Director met with staff of Sealaska (the regional for-profit corporation) to structure the timber program. After the fisheries proposal was written,

the CETA Director consulted with the Central Council Director of Fisheries and Timber who agreed to do the training for both programs. Tourism has also been identified as a development potential for both village and regional corporations, thus the rationale for a hotel/motel training program to be attended by trainees from villages which have under construction or are planning a hotel/motel project. CCTH will run the hotel/motel training program (funded for $158,520); OJT will be provided at two existing Native-owned lodges. Local communities will recruit trainees and participation will be based on which Native corporations (presently five) will have hotels or motels (most are still in the planning or construction stages). The aquaculture grant is for $200,000 and will be run by the Tlingit and Haida Fisheries Development Corporation. Classroom training will be conducted at the community college in Sitka and is linked to the summer youth program of CCTH. The agriculture/forestry grant of $138,300 will also be run by the Fisheries Development Corporation. This program is predicated on the fact that Sealaska will have title to 280,000 acres of land, much of it heavily forested. Eight participants will be trained in surveying and other forest-related activities, preparing for the needs of the regional and village corporations as land is conveyed and use planning and development undertaken.

Elements that Can be Used in Developing a NAPSIP Projects

1. Work with the Regional and Village for-profit corporations to develop regional training programs related to existing and/or proposed economic development projects.

2. Contract with other training groups to provide training such as community colleges and for-profit corporations.

EXAMPLES OF PROGRAM ACTIVITIES ALLOWABLE UNDER NAPSIP GUIDELINES

There are a variety of program activities, in addition to standard OJT projects, for which Title VII funds can be used. These activities fall into the following fifteen categories. Examples have been provided under each section, where possible, to illustrate the potential uses of Title VII funds.

1. Coordinating programs of jobs and training and education enabling individuals to work for a private employer while attending an education or training program.

These program activities can provide important training for individuals and contribute substantially to tribal economic development efforts.

Several tribes have linked CETA programs to training through tribal or local community colleges. At Pine Ridge, classroom training is provided through Oglala Community College for the tribe's Oglala Sioux Agricultural Enterpirses. Close coordination between CETA and the community college makes college credit available to trainees. With a 1977 NAESP grant, trainee slots were expanded; enrollees are provided with 20 hours of weekly classwork at the college and work 20 hours in the field. Training is in the areas of irrigation technology, animal husbandry, gardening techniques, and mechanics, with degree credit built in.

At Fort Hall in Idaho, classroom training is provided for Indian Action Team participants in GED, blueprint reading, and general construction techniques. The reservation trading post, opened in 1978, was constructed entirely by the Indian Action Team.

At the Papago Reservation in Arizona, NAESP funds have enabled the Tribe's livestock complex, funded by EDA and completed in 1975 but essentially unused, to become an operating entity. Training is provided in both agriculture and livestock/range management. Trainees will eventually operate the tribal Papago and Vaivo Farms efforts, funded by both EDA and congressional appropriations, as well as the livestock complex. The Tribe contracted with the Tucson Skill Center for a creative training program involving a variety of techniques including audio-visual, simulation, hands-on, and one-to-one. The curriculum for training was developed at the University of Arizona, and revised and molded into the training

program by the training coordinator and the Director of Operations. It is hoped that the persons being trained in management level positions will themselves conduct training in the future.

The Central Council of the Tlingit and Haida in the Southeast Region of Alaska serves ten rural and five urban communities. The Council's aquaculture and agriculture/forestry NAESP grants are being used to provide training in forest-related activities and in fisheries, two areas where much of the economic development activities of the regional and village for-profit corporations will be concentrated. Classroom training is conducted at the community college in the town of Sitka and on-site training is being run by the Tlingit and Haida Fisheries Development Corporation (a privately-run corporation).

It is important to note that in many cases the trainers/training institutions were instrumental not only in the development of the training materials but can and have helped in project and proposal development. Where possible, Native American grantees should utilize this resource for training, resource identification and proposal assistance.

2. Developing a small business intern program to provide a practical training enabling youths and other individuals to work in small business firms to acquire first-hand knowledge and management experience about small business.

Many tribes have used CETA Title VI or NAESP funds to provide training for tribal members in management. Trainer/managers are often non-Indian, with tribes contracting such individuals for their expertise in managing projects and to train tribal members so they can eventually manage tribal enterprises.

At Moapa in Nevada, NAESP funds support training for the tribe's tomato greenhouse project, which is also funded by EDA, HUD and the tribe. The manager/trainer is a non-Indian who worked on a similar project in Israel. Besides working on project development and providing the technical knowledge for running the project, he is training a tribal member who will eventually be the manager of the project. The present manager could continue to be involved in project expansion.

At Pyramid Lake in Nevada, PLITE (Pyramid Lake Indian Tribal Enterprises)--the fish hatcheries and lake restoration project--is the Tribe's major economic development

project. The three main staff of PLITE--director, manager and lab director--are all non-Indian and have contracts with the Tribe for a specified amount of time. They are training tribal members (through U.S. Fish and Wildlife funds) to assume these management positions. Title I CETA funds from the county Prime Sponsor have also been used to support these training positions.

In Washington, the Lummi Indian Tribal Enterprises (LITE), a for-profit corporation, has a Lummi Indian School of Aquaculture and Fisheries (LISAF). Originally formed to educate and train local residents in the operations and management of the LITE project, this school has expanded to include students from surrounding tribes and throughout the U.S. The school is now separate from LITE, and received an NAESP grant to provide management training which can support aquaculture projects throughout the country.

3. Developing relationships between employment and training programs, educational institutions, and the private sector.

Several tribes obtained NAESP funds by linking up local training and educational institutions with tribal planners and tribal enterprise managers through the CETA office. Developing these relationships are vital for future project identification and implementation.

Title VII project funds could be used to assign a staff person to focus on developing these relationships and to assist the CETA office and/or PIC in developing long-range plans linking projects to tribal economic development activities. The EDA-funded planner and other tribal planners, as well as other training programs such as Indian Action Team, can support training efforts and assist in project identification and ties to other sources of funding.

Title VII staff should meet with local training entities and colleges, especially community colleges, to explain the objectives and eligible activities of programs such as NAPSIP, to acquaint such organizations with tribal goals and employment and training needs, and to work with these organizations to tailor existing training programs and/or develop new training programs relevant to future tribal development activities.

4. Developing useful methods for collecting information about Federal Government procurement contracts with private employers, new and planned publicly supported projects such as public works, economic development and community development programs, transportation revitalization, alternative energy technology development, demonstration, and utilization projects, energy conservation projects, and rehabilitation of low income housing as part of a community revitalization or stabilization effort, which provide work through private sector contractors.

There is a great deal of construction activity on reservations at present, with funding coming from a variety of sources--HUD, BIA and IHS for housing and, BIA for roads and similar types of projects, EDA for community, economic development and public works projects, and HUD Community Development Block Grant for community and economic development projects, to mention the most widespread. Often this construction is contracted to non-Indian off-reservation companies who may or may not employ tribal members. Opportunities for training in the construction trades and for the development and/or support of tribal construction companies are often missed due to the lack of planning or knowledge of upcoming projects.

By developing a method for collecting information about project activity tribes can increase the participation of tribal members in reservation development and provide training in skill areas that will ensure this participation over the long-term. Again, Title VII funds can be used to support a planning position with the purpose of setting up an information and planning system. Title VII staff should outreach to other tribal offices and learn about other programs and projects. It is especially important to link up with the EDA planner and other planners, as well as tribal business managers, project managers and others involved in developing projects and finding sources of funding to meet the tribe's long term development goals.

Staff can contact local AFL-CIO offices to discuss possibilities for apprenticeship training in construction trades. Some efforts have already been made to link into such activities. The Human Resources Development Institute (HRDI), the training arm of the national AFL-CIO, assisted the Navajo Nation in setting up a pre-apprenticeship training program, the Navajo Construction Industry Manpower Program. HRDI currently has an NAESP grant to administer an apprenticeship outreach program, placing and referring Native Americans to on-going apprenticeship programs. Besides Navajo, HRDI is working with several tribes in Oklahoma and is working with the building trades union in Alaska. Several other tribes and/or Native American consortia also

received NAESP grants to conduct apprenticeship training and outreach programs. Title VII staff could develop such projects.

An additional way to collect information on development activities would be to set up a review process, such as an A-95 review process, which would coordinate planning and program activities on reservations and link Title VII and other CETA and training funds to project development and operation. The Salt River Pima-Maricopa Indian Community in Arizona has established an office of Management and Program Development to monitor and integrate total tribal planning efforts, and an A-95 clearinghouse review process to eliminate areas of overlap in planning. This process links departments and provides overall direction for the Tribe, and develops good contacts with federal agency representatives and fosters the flow of information to the Tribe.

Title VII staff should make an effort to meet representatives from those federal agencies which support tribal economic and community development, especially through construction and project funding, such as EDA, HUD and IHS. This is especially important for consortia prime sponsors, where CETA staff often does not get to meet and share information with other federal agency representatives. Title VII funds used for supporting a planner in economic development could work on developing this type of relationship with the goal of increasing coordination between CETA funds and tribal economic development and developing NAPSIP project elements.

5. Conducting innovative cooperative education programs for youths in secondary and post-secondary schools designed to coordinate educational programs with work in the private sector.

The approach utilized here can be one of coordination with tribal education offices and outreach to secondary and post-secondary schools, such as local community colleges. Again, by linking up economic development planners and project managers with educational entities through CETA and other training programs, all involved will be able to develop a better understanding of training needs and skill requirements and can work together to develop programs that meet tribal and individual requirements while tapping the resources of educational institutions. Training of the young can thus be made more relevant to future tribal economic development activities.

Title VII staff can use administrative funds to assist in developing such coordinated and creative educational programs. Some methods to be used in developing these programs include population surveys, labor market analysis, skills surveys and career testing. Some tribes have used CETA funds to collect this type of detailed information. For instance, the Eastern Washington Indian Consortium (EWIC) used CETA funds for a trainee to develop updated demographic statistics for use in program planning and proposals. EWIC has an economic development planner who assists tribes in linking training funds to economic development projects.

At Oneida CETA funds are being used to conduct a community survey to obtain various statistical and demographic indices. Information is expected to assist future planning and application preparation processes. Such an approach could be adopted for a manpower/educational needs survey and assessment.

The key is to use these types of activities to encourage local educational institutions to develop educational programs relevant to the requirements of planned and potential tribal economic development projects.

6. Developing and marketing model contracts designed to reduce the administrative burden on the employer and model contracts to meet the needs of specific occupations and industries.

This activity is probably more relevant for tribes or consortia which will have projects with non-tribal entities (i.e., individual Indians or non-Indian companies located on or off the reservation) which may be more unfamiliar with how CETA operates. However, the development of a standard contract for all projects will assist both enterprises and the CETA staff in administering the projects. Development of such contracts may be especially good for a consortium to do, to assist member tribes and to standardize its record keeping, accounting and administration for NAPSIP projects.

7. Coordinating programs under this title with other job development, placement, and employment and training activities carried out by public and private agencies.

The CETA office or the PIC may fund a position or reassign funds from another Title to support a program coordinator. The coordinator would work with other CETA staff and other training officers such as those working with BIA's TWEP and IAT programs.

The coordinator could also tap into an existing or set up a planning committee whose purpose is to link the various programs, share information and develop plans for future projects. Fort Hall set up a planning committee composed of the CETA director, the BIA employment assistance officer, the director of the IAT and the Tribe's education director. The committee has major manpower and placement functions and has resulted in integrated manpower development.

Another activity of a program coordinator can be to work as actively as possible with Title II-B primes, especially to obtain other Title VII funds to which a tribe may be entitled by virtue of being included in the Title II-B prime's allocation of funds based on population. Some Native American grantees sit on local, regional or statewide manpower committees, and this is a linkage that a coordinator could assist in developing. Other linkages could include coordinating with Indian urban prime sponsors, if a reservation is close enough to an urban area, or if a reservation-based consortium office is located close to an urban prime sponsor.

8. Providing on-the-job training subsidies on a declining ration to wages over the period of training.

Often in OJT subsidies for trainess are not provided on a declining ratio to wages over the period of training. Rather, trainees finish their period of training with full subsidies for the term of training and then are hired on full-time, seek employment elsewhere, etc. Many OJT programs have formed the basis for self-sustaining tribal enterprises, such as in the case of the Moapa Leather Company in Moapa, Nevada.

Moving a trainee off CETA to permanent employment in a more gradual manner, if the trainer feels the trainee is increasing in skills and contributing to the enterprise, should be encouraged as these CETA funds can then be reprogrammed or used to train additional staff.

9. Providing follow-up services with employees placed in private employment and employers who hire recipients of services under this Act.

Follow-up services are important for all trainees, not just those funded through Title VII. Title VII funds can be used especially for follow-up services to those

who are working on Title VII projects off the reservation, including those programs near urban areas, and for non-Indian or non-tribally owned enterprises on the reservation. Follow-up services would help insure that trainees are receiving the services and support they need, to insure that trainees are treated fairly and to see that training is relevant. Follow-up can also assist tribal officials in monitoring compliance with Indian preference hiring arrangements.

10. Encouraging employers to develop job skill requirement forecasts and to coordinate such forecasts with prime sponsors.

Title VII funds can be used by the CETA or PIC staff to work with potential employers such as project managers, tribal enterprises, Indian-owned private companies and non-Indian-owned companies on and off reservations to discuss and document their expansion plans and employment and training needs, projecting future needs by skill areas. Staff should develop forecasts in conjunction with tribal planners and business managers. Employment and job skill needs can then be linked to CETA program developments. Staff could work on this kind of activity in conjunction with the surveys mentioned in Section 4.

11. Using direct contracts for training and employment programs with private for-profit and private nonprofit organizations.

Private for-profit and private nonprofit organizations can be a valuable resource in providing training for Native American tribal enterprises. Many NAESP grants in a range of training areas were used in this manner. In Alaska the Central Council of the Tlingit and Haida has contracted with the private for-private Tlingit and Haida Fisheries Development Corporation to run the agriculture/forestry and aquaculture NAESP training programs. Trainees will eventually be placed in the native for-profit village corporations. At Papago the Tribe contracted with the Tucson Skills Center to provide training under its NAESP agricultural grant (see Section 1).

12. Developing apprenticeship or comparable high-skill training programs for workers regardless of age in occupations where such programs do not exist presently in the area.

Title VII provides a good opportunity for tribal construction companies to become more involved in the construction underway on reservations. Apprenticeships in the

building trades are very relevant due to the high level of construction activity on reservations. At present Indian Action Team (IAT) is the most wide-spread of apprenticeship training programs, and Title VII projects can be linked to this program. For instance, at Fort Hall the IAT built the Tribe's new trading post and CETA trainees are learning how to manage and operate this retail complex. Due to many problems, Indian participation in union apprenticeship programs has been limited. However, as mentioned in Section 4 , the training arm of AFL-CIO, the Human Resources Development Institute (HRDI), has developed a pre-apprenticeship training program with the Navajo Nation and under NAESP is conducting an apprenticeship outreach and placement program in Oklahoma and Alaska as well as on the Navajo Nation. Several other 1978 NAESP grants were awarded for apprenticeship programs to the following organiations:

a) the United Tribes of Kansas and Southeast Nebraska
b) Fort Peck Assiniboine and Sioux Tribes
c) Indian Development District of Arizona, Inc.
d) Cherokee Nation of Oklahoma
e) Northwest Inter-Tribal Council

Where possible, tribes and consortia should try to link up with local/state-wide AFL-CIO/HRDI offices to assess the potential for apprenticeship training, especially those Tribes located near urban areas.

13. Increasing opportunities for upgrading from entry level jobs by providing counseling and other services to employees and employers beyond initial training periods.

Upgrading may be difficult in some tribal enterprises if the enterprises are too small to have a career ladder. Hoever, Title VII staff can work with employers to assess the possibility for upgrading to inform employers or project managers of the potential skill levels of trainees and to provide on-going counseling to both employers and employees to resolve problem areas and to provide supportive services that may be needed to allow for upgrading. This type of on-going assistance is important so that training is focused on both tribal and individual needs and opportunities, and will be especially useful to trainees working in non-Indian or private corporations which may need to be sensitized to Indian needs.

A similar type of effort is related to the orientation of trainees prior to the start of training. The Papagos have developed an extended orientation program in conjunction with the Tucson Skills Center to provide a one-month entry and general counseling effort to better prepare applicants. In addition, the Skill Center provides supportive services and counseling to trainees once they are program participants. This model can be adopted to provide on-going services to both employees and employers and can be usefull in assisting employers to identify opportunities for upgrading.

14. Providing technical assistance to private employers to reduce the administrative burden of employment and training programs.

This activity may be more relevant across the board to Title II-B prime sponsors, but is also recommended especially when working with non-tribal enterprises who may be unfamiliar with the intricacies of CETA bookkeeping, recordkeeping, etc. CETA staff may use Title VII funds to provide technical assistance to private employers and managers of tribal enterprises in fulfilling their administrative requirements for Title VII.

15. Disseminating information to private employers so that they may more fully utilize programs under this Act.

This process serves to inform private sector employers and tribal enterprise project managers of the advantages of Title VII so they can better link into manpower training and meet the needs of tribal economic development. This role can be undertaken by CETA staff or by the PIC, supported with Title VII funds. Staff can outreach to the above groups, as well as local labor unions, through individual meetings, seminars, public forums, PIC and tribal council meetins, etc. The members of the PIC can be especially helpful in this effort. Information should also be provided to the EDA-funded and other tribal planners and business managers who are involved in project planning and tribal economic development.

APPENDIX C

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MARCH/APRIL 1979

Publication: Community Development Credit Unions

A self-help manual providing practical information on organizing and operating a community development credit union (CDCU) is now available from the National Economic Development Law Project. Model CDCU's have already shown themselves to be the greatest force in the battle against redlining and disinvestment. They have become the rallying point for community revitalization efforts, primarily because CDCUs are the only community-controlled financial institution. This control insures that a community agenda is maintained, an agenda which translates into a policy of complete reinvestment within the community. In addition, CDCUs educate community residents on local financial conditions and the disinvestment practices of traditional lenders.

The manual is designed to take a community organization from the first stages of discussing why a CDCU is needed in the community to the actual establishment and operation of a CDCU. The major chapters include information on:

- the economic resources which exist in poverty communities
- how economic resources are drained from poverty communities
- how to research local financial institutions to uncover evidence of redlining and other disinvestment tactics
- how to organize to combat the practices of existing institutions
- the charter process for CDCUs
- the allocation of responsibility within a CDCU
- the operation of a CDCU, including
  - — staffing and staff training
  - — goal and policy formulation
  - — space requirements and location considerations
  - — equipment and supplies
  - — outreach
  - — obtaining share insurance
  - — the new share account and lending provisions enacted by Congress
  - — sample annual operating statement
  - — expansion to a bank or savings loan

The manual includes a bibliography and numerous charts, forms, and illustrations. Also included are a copy of the federal credit union act, selected federal regulations, and federal credit union bylaws with comments by the Law Project.

The manual may be ordered at a prepaid cost of:

$ 3.00 community organizations eligible for assistance from their local legal services office (include in the request the name of the local program and the individual there with whom you are in contact)

$ 3.00 legal services offices

$10.00 all others

Make checks or money orders payable to the National Economic Development Law Project. Send to the attention of Alison Bronstein at the Law Project.

TO: Alison Bronstein
National Economic Development Law Project
2150 Shattuck Avenue
Berkeley, California 94704

Enclosed is a check in the amount of $ _____ in payment for _____ copies of COMMUNITY DEVELOPMENT CREDIT UNIONS: a self-help manual.

Name (please print) _____

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Address _____

City, State, Zip _____

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Address, city and state of local Legal Services office _____

Name of contact person at local Legal Services office _____

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New Publication: Organizing Production Cooperatives: A Strategy for Community Economic Development

Recently, there has been a renewed interest in the production cooperative as a mechanism to stimulate economic development in low-income communities. In many instances, it has been successful, both as a vehicle for increasing the amount of economic resources available to low-income residents, and for asserting greater local control over the use of those resources for community residents.

This Manual is a response to the many organizations involved in community economic development who have frequently requested complex information about how to organize production cooperatives. Assisting in its preparation were individuals who have been integrally involved in the basic organizational and legal aspects of forming production cooperatives, specifically new agricultural production cooperatives in California.

It is essentially a "how-to" manual, describing the basic structural and procedural issues of a production cooperative. The discussion concentrates on major functional problems that inevitably must be negotiated and resolved during the development phases of a cooperative. By approaching the problems as they actually occur in the organizing process, we have tried to portray the major issues in their most practical terms. The Manual should help the reader—whether an organizer, planner, lawyer, accountant or business developer—to ask the appropriate questions and to make the wisest and fullest contribution of their time and talents. We have tried not to limit the book to any one industry, government program, or individual theory. Instead, we have attempted to point out the range of stumbling blocks likely to be encountered in forming a cooperative and the problems which diverse circumstances could have in common.

$ 3.00 community organizations eligible for assistance from their local legal services office (include in the request the name of the local program and the individual there with whom you are in contact)
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Enclosed is a check in the amount of $____ in payment for ____ copies of ORGANIZING PRODUCTION COOPERATIVES: A Strategy for Community Economic Development.

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Organization* _____

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City, State, Zip _____

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Address, city and state of local legal services office _____

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New Publication:

Community Development Block Grants: A Strategy for Neighborhood Groups

A step-by-step manual for neighborhood groups that seek to participate in the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) programs is now available from the National Economic Development and Law Center. The CDBG program now authorizes local governments to provide funds directly to nonprofit neighborhood organizations for a wide range of community development projects, making block grants, potentially, one of the most available and flexible sources of money for community-controlled economic development and neighborhood revitalization. For example, with block grant funds, a welfare rights group can operate a nutrition program, a tenants' organization can administer a housing subsidy contract, older people can acquire land and rehabilitate housing, a women's group can house and run a day care service.

The manual outlines how community groups can become actively involved in the CDBG program. It explains the background, structure and major features of the CDBG and UDAG programs. It will take the reader through the process of preparing a proposal for funding, monitoring the city, and enforcing the citizen's rights. The major chapters include information on:

- how community organizations have used CDBG for community development
- how to research block grants
- how to read and understand CDBG forms
- how to use Urban Development Action Grants
- how to develop a proposal
- how to win at city hall, and
- developing pre-litigation strategies and filing a lawsuit

The manual includes a copy of Title I of the Housing and Community Development Act of 1977, citations to other laws and regulations, a section on further resources, and other useful reference materials.

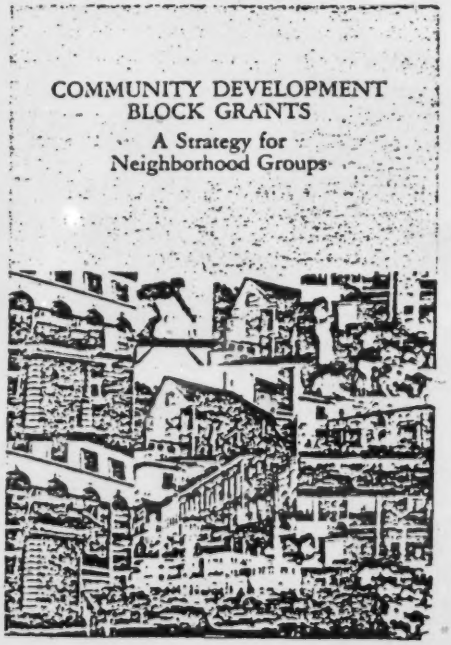
The manual may be ordered at a pre-paid cost of:

$3.50 for community organizations eligible for assistance from their local Legal Services office (include in the request the name of the local program and the individual there with whom you are in contact), and Title VII (CSA) funded CDCs.

$3.50 for Legal Services offices.

$7.50 for all others.

Make checks or money orders payable to the National Economic Development & Law Center. Send to the attention of Alison Bronstein at the Law Center.



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BIBLIOGRAPHY ON NEIGHBORHOOD ENTERPRISE

The bibliography on Neighborhood Enterprise is a guide to articles, books, newsletters, and directories of useful information to neighborhood-based groups seeking to create or maintain economic and other community enterprises.

The bibliography is divided into seven sections that closely relate to the resource list: A) Housing and neighborhood preservation; B) Neighborhood economic and financial enterprise; C) Food cooperatives and urban agriculture; D) Alternative technology and energy; E) Theory and practice of neighborhood organization; F) Newsletters and journals; G) Directories of organizations. Newsletters and journals are identified according to subject-matter, frequency of publication, and mailing addresses. Many of the newsletters deal with more than one activity, e.g., housing and alternative technology. Addresses for publications by technical assistance organizations can be obtained from the resource list.

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Self-Help Reporter, a bimonthly newsletter that deals with neighborhood health care and other self-help activities. New York: The National Self-Help Clearinghouse.

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2. Neighborhood Economic/Financial Enterprise

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D.C. Democratic Economics, a bimonthly newsletter on worker-community economic control in Washington, D.C. Washington, D.C.: Strongforce.

Economic Development Law Project Report, a bimonthly newsletter on community economic development and community development corporations. Berkeley, Calif.: The National Economic Development Law Project of the Earl Warren Legal Institute.

Interchange, a monthly newsletter on community economic development and community development corporations. Washington, D.C.: National Congress for Community Economic Development.

(The) New Harbinger, a quarterly journal on cooperative enterprises and worker self-management. Ann Arbor, Mich.: North American Student Cooperative Organization.

News from Federation for Economic Democracy, a newsletter on worker self-managed economic enterprises. Ithaca, N.Y.: Federation for Economic Democracy.

Northwest Network: Journal of the Cascade Region, a monthly newsletter on cooperative enterprise and community economic development. Eugene, Oreg.: Cascadian Regional Library.

(The) Public Works, a quarterly journal on community organizing and radical politics. Oakland, Calif.: Community Ownership Organizing Project.

3. Food Cooperatives and Urban Agriculture

CA News, a newsletter on consumer and community action published nine times a year. San Francisco, Calif.: Consumer Action.

(The) Community Work, a monthly newsletter on food co-ops and alternative technology. Fort Collins, Colo.: The Point Foundation, Inc.

Cooperative Consumer Viewpoint, a bimonthly newspaper on cooperative enterprise. Philadelphia, Pa.: Delaware Valley Coalition for Consumer Education and Cooperation.

Co-op News. Berkeley, Calif.: Consumers Cooperative of Berkeley, Inc.

(The) Food Conspiracy Newsletter, a monthly on co-ops, collectives, and neighborhood action. Tucson, Ariz.: Food Conspiracy.

Food Co-op Nooz. Chicago: Food Co-op Project, Loop College.

Green Revolution, a monthly magazine on community, economic development, co-ops, and collectives. York, Pa.: School of Living.

NASCO: Students of Cooperation, Monthly News of Co-op Communities. Ann Arbor, Mich.: North American Student Cooperative Organization.

Over the Garden Fence, published 10 times a year on food production, energy, and alternative technology. Dallas, Tex.

Public Notice, a monthly newspaper on community action and co-ops. Lawrence, Kans.: Community Mercantile Food Cooperative and People's Energy Project.

Self-Determination Quarterly, a newsletter on cooperative enterprise and politics. Santa Clara, Calif.: Self-Determination.

(The) Source, a quarterly newsletter on alternative food production. Northampton, Mass.: Massachusetts Association of Biological Farmers and Gardeners.

(The) Tilth Newsletter, a quarterly journal on alternative agriculture and food in the Northwest. Arlington, Wash.

Windborne, a newsletter on food co-ops, agriculture, and alternative technology. Roanoke: Appalantic Federation of Cooperatives.

4. Alternative Technology and Energy

ACORN, a newsletter on alternative technologies and urban agriculture published 10 times a year. Park Forest South, Ill.: Governors State University.

Alternative Sources of Energy. Milaca, Minn.: Alternative Sources of Energy, Inc.

Alternative Technologies, a bimonthly newsletter. Indianapolis, Ind.: Alternative Technologies Association.

Compost Science: Journal of Waste Recycling. Emmaus, Pa.: Rodale Press.

Connections, a monthly newsletter on alternative technology. Lansing, Mich.: Lansing Energy Affairs Network.

Critical Mass Journal, a newsletter on alternative energy. Washington, D.C.: Critical Mass Energy Project.

(The) Ecology Center Newsletter, a monthly on alternative technology and agriculture. Berkeley, Calif.: Ecology Center.

Intermediate Technology Report. Menlo Park, Calif.: Intermediate Technology.

NCAT NEWS. Butte, Mont.: National Center for Appropriate Technology.

People and Energy. Washington, D.C.: Center for Science in the Public Interest.

RAIN, a monthly magazine on appropriate technology. Portland, Oreg.: RAIN.

Rodale's Environment Action Bulletin, a biweekly on alternative technology. Emmaus, Pa.: Rodale Press.

(The) Solar News, a newsletter on solar energy development of the Mid-Atlantic Solar Energy Association. Philadelphia, Pa.: Dept. of Agriculture, University of Pennsylvania.

Solar Utilization News, a monthly journal on alternative technology. Estes Park, Colo.: Alternative Energy Institute.

(The) Workbook, a monthly journal cataloging information on consumer, neighborhood, and alternative technologies issues. Albuquerque, N.M.: Southwest Research and Information Center.

G. Directories of Organizations

(The) Bay Area Directory of Collectives. San Francisco: Earthwork.

Becker, Ann; and Eccli, Eugene, eds. *Appropriate Technology–A Directory of Activities and Projects*. Springfield, Va.: Document Sales, National Technical Information Service, U.S. Department of Commerce, 1977.

Carnaham, Don, ed. *Guide to Alternative Periodicals*. St. Petersburg, Fla.: Sunspark Press, 1976.

Food Co-Op Directory, an up-to-date listing of 2000 American and Canadian consumer co-ops, warehouses, bakeries, restaurants. Albuquerque, N.M.: 106 Girard, S.E.

Gardner, Richard, ed. *Alternative America: A Directory of 5000 Alternative Life-Style Groups and Organizations*. Cambridge, Mass.: Richard Gardner, Box 134, Harvard Square.

Krotosky, Steven. *Massachusetts Resource Directory of Community Economic Development Groups*. Cambridge, Mass.: Center for Community Economic Development, 1975.

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RESOURCE LIST

The resource list is a guide to individuals and organizations throughout the country that furnish technical and other assistance to neighborhood groups seeking to create economic or other community enterprises such as housing, or to maintain and improve existing enterprises and facilities. Among the services furnished are technical, financial, management, and marketing assistance. In addition, these resource individuals and organizations help to locate other resources and may function as an information clearinghouse.

The resource list consists of national support organizations, regional and local support organizations, and federal agencies that provide relevant assistance. The resource list is further divided according to the nature of the neighborhood enterprise: a) housing and neighborhood preservation; b) neighborhood financial development; c) neighborhood economic enterprise such as nonprofit firms, community development corporations, worker-managed firms, etc.; d) food cooperatives and urban agriculture; and e) alternative technology and energy projects. Wherever possible, resources are identified according to their specific activities, and by region.

Outline:

A. National Support Organizations and Federal Agencies
  1. Housing and Neighborhood Preservation
  2. Neighborhood Financial Development
  3. Neighborhood Economic Enterprise
  4. Food Cooperatives and Urban Agriculture
  5. Alternative Technology and Energy Projects
B. Regional and Local Support Organizations
  1. Housing and Neighborhood Preservation
  2. Neighborhood Financial Development
  3. Neighborhood Economic Enterprise
  4. Food Cooperatives and Urban Agriculture
  5. Alternative Technology and Energy Projects
C. Foundations and Other Philanthropic Institutions

A. National Support Organizations and Federal Agencies

1. Housing and Neighborhood Preservation

ACTION
806 Connecticut Avenue, N.W.
Washington, DC 20525
202-254-6886

VISTA and other volunteer programs; loan program to cooperatives.

Architecture and Environmental Arts Program
National Endowment for the Arts
2401 E Street, N.W.
Washington, DC 20506
202-634-4276
Contact: Geri Bachman

"Livable Cities Program" provides grants to local governments and nonprofit corporations in the areas of architecture, environmental improvement, and neighborhood preservation.

Association of Neighborhood Housing Developers, Inc.
29 E. 22nd Street
New York, NY 10010
212-674-7610
Contact: Virginia Sherry

Technical support for nonprofit housing development.

Campaign for Human Development U.S. Catholic Conference
1312 Massachusetts Avenue N.W.
Washington, DC 20005
202-659-6650
Contact: Douglas M. Lawson, Program Officer

A foundation that supports self-help projects for community economic development and neighborhood organizing.

Center for Community Change
1000 Wisconsin Avenue, N.W.
Washington, DC 20007
202-338-6310

Assists low-income and minority community organizations in the areas of housing, health, and education.

The Institute for Local Self-Reliance
1717 18th Street, N.W.
Washington, DC 20009
202-232-4108
Contact: David Morris, Director

Supports alternative technology, urban agriculture, neighborhood action, and housing; extensive library, and publications and directory of technical assistance resources.

National Association of Housing Cooperatives
1522 K Street, N.W., Suite 1036
Washington, DC 20005
202-347-3713 or 3714
Contact: Ernie Eden, Director

Assists housing cooperatives and a clearinghouse.

National Association of Neighborhoods
1612 20th Street, N.W.
Washington, DC 20009
202-332-7766
Contact: Milton Kotler

A policy, educational, and legislative action association of neighborhood organizations. Task forces on basic issue-areas such as economic development, crime, energy, etc.

National Center for Urban Ethnic Affairs
1521 16th Street, N.W.
Washington, DC 20036
202-232-3600
Contact: Ed Dulcan

Policy, research, and technical assistance organization involved in neighborhood preservation, community credit unions, and economic development.

National Training and Information Center
1123 W. Washington Boulevard
Chicago, IL 60607
312-243-3035
Contact: Gail Cincotta

Neighborhood organizing and neighborhood reinvestment strategies.

Office of Assistant Secretary for Neighborhood Organizations and Consumer Protection
Department of Housing and Urban Development
Room 4100
451 7th Street, S.W.
Washington, DC 20410
202-755-0950

Office of Economic Development
Community Services Administration
1200 19th Street, N.W.
Washington, DC 20506
202-254-5090

Funds community development corporations and community action agencies; provides emergency assistance to communities.

Office of Housing and Urban Affairs
Federal Home Loan Bank Board
320 1st Street, N.W.
Washington, DC 20552
202-376-3282 or 3262

Regulates federally-chartered savings and loans and handles complaints about mortgage loan practices.

Office of Public Information
Neighborhood Housing Services Program
Urban Reinvestment Task Force
1120 19th Street, N.W.
Washington, DC 20036
202-634-1905

One of the most successful neighborhood preservation and housing rehabilitation programs.

Workshop in Political Theory and Political Analysis
121 Morgan Hall
Indiana University
Bloomington, IN 47401
812-337-0441
Contact: Frances Bish

A clearinghouse on neighborhood research and policy.

2. Neighborhood Financial Development

Alternative Economics, Inc.
P.O. Box 29146
Washington, DC 20017
202-832-5200
Contact: Floyd Agostinelli, Billy McLaughlin

Provides technical assistance to community development credit unions and other financial development instruments.

American Federation of Community Credit Unions
2436½ 18th Street, N.W.
Washington, DC 20009
202-332-7567
Contact: Shelly Grasty

Provides technical assistance to credit unions.

National Center for Urban Ethnic Affairs
1521 16th Street, N.W.
Washington, DC 20036
202-232-3600
Contact: Ben Johnson

Policy, research, and technical assistance organization involved in neighborhood preservation, community credit unions, and economic development.

Public Information Office
National Credit Union Administration
2025 M Street, N.W.
Washington, DC 20456
202-254-9800

Regulates credit unions.

3. Neighborhood Economic Enterprise

Center for Community Economic Development
639 Massachusetts Avenue
Cambridge, MA
02139, Room 316
617-547-9695
Contact: DeForest Brown, Jr., Director

Federally-supported research and policy organization assisting community development corporations.

Center for Economic Studies
457 Kingsley Avenue
Palo Alto, CA 94301
415-328-1039
Contact: Joyce Crain

A nonprofit research and policy group that is undertaking a three-year study of alternative economic enterprises nationwide, including an extensive directory.

National Congress for Community Economic Development
1029 Vermont Avenue, N.W.
Suite 304
Washington, DC
202-659-8411
Contact: Philip A. Lo Presti, President

Association of Community Development Corporations.

National Development Law Project
2150 Shattuck, Suite 300
Berkeley, CA 94704
415-642-2826
Contact: Arthur Blaustein, Director

Federally-supported research and policy organization assisting community development corporations.

Office of Minority Business Enterprise
Department of Commerce
5053 Main Commerce Building
Washington, DC 20230
202-377-5061

Assists minority business enterprises and nonprofit economic development corporations.

Office of Technical Assistance
Department of Commerce
7842 Main Commerce Building
Washington, DC 20230
202-377-5111

Provides grants for economic development to local governments and nonprofit corporations in designated depressed areas.

Small Business Administration
1441 L Street, N.W.
Washington, DC 20416
202-653-6842
Contact: Bill Dean

The Local Development Company program provides grants to groups of individuals undertaking business enterprise in a depressed community.

4. Food Cooperatives and Urban Agriculture

The Cooperative League of the U.S.A.
1828 L Street, N.W.
Washington, DC 20036
202-872-0550
Contact: Phil Dodge

Association of cooperatives.

Food Co-op Project
106 Girard, S.E., No. 110
Albuquerque, NM 87106
505-265-7416

Assists food co-ops; and a clearinghouse.

The Institute for Local Self-Reliance
1717 18th Street, N.W.
Washington, DC 20009
202-232-4108
Contact: David Morris, Director

Supports alternative technology, urban agriculture, and neighborhood action and housing; extensive library and publications and directory of technical assistance resources.

North American Student Cooperative Organizations
P.O. Box 1301
Ann Arbor, MI 48106
313-663-0889

Assists co-ops and alternative enterprises.

Helga and Bill Olkowski
1307 Acton Street
Berkeley, CA 95706
415-524-8404

Alternative technology, authors, "The City People's Book of Raising Food."

5. Alternative Technology and Energy Projects

The Institute for Local Self-Reliance
1717 18th Street, N.W.
Washington, DC 20009
202-232-4108
Contact: David Morris, Director

Supports alternative technology, urban agriculture, neighborhood action, and housing; extensive library and publications and directory of technical assistance resources.

National Center for Appropriate Technology
Butte, MT 59701
406-723-6533
Contact: Joe Gonzales
Beth Sachs, Librarian

Clearinghouse on alternative technology.

Office of Operations
Community Services Administration
1200 19th Street, N.W.
Washington, DC 20506
202-254-5670
Contact: Mary Ann Mackenzie

Furnishes technical and financial assistance to alternative technology projects.

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B. Regional and Local Support Organizations.

1. Housing and Neighborhood Preservation

Northeast

Ad Hoc Low Income Housing Coalition
215 8th Street, N.E.
Washington, DC 20002
202-544-2544
A clearinghouse on federal action in the housing and community development field and an advocacy group.

Association of Neighborhood Housing Developers, Inc.
29 E. 22nd Street
New York, NY 10010
212-674-7610
Contact: Robert Schur, Exec. Director
Technical support for nonprofit housing development.

Interfaith Adopt-A-Building
300 E. 4th Street
New York, NY 10009
212-677-8700
Contact: Ruth or Roberto Nazario
Cooperative homesteading and housing rehabilitation.

Jubilee Housing, Inc.
Development Group
2125 Massachusetts Avenue, N.W.
Washington, DC 20036
202-387-1617
Multi-family housing rehabilitation in low-income urban areas.

Philadelphia Council of Neighborhood Organizations
1522 W. Girard Avenue
Philadelphia, PA 19130
215-235-2720
Support organization for 125 neighborhood groups.

Project Lend: Lending Equality for Neighborhoods Disinvested
Metropolitan Washington Planning and Housing Association
1225 K Street, N.W.
Washington, DC 20005
202-737-3700
Provides technical assistance to community organizations working on neighborhood reinvestment.

The Shelterforce Collective
380 Main Street
East Orange, NJ 07018
201-673-2405
675-6240
A clearinghouse on national housing issues and nonprofit housing development, and provides assistance to housing and community organizers.

Southwest Corridor Land Development Coalition
27 Dudley Street
Roxbury, MA 02119
617-427-0035
Advocacy and assistance in housing, land use, and community issues in the city of Boston.

Technico-op, Inc.
1010 Washington Boulevard
Stamford, CT 06901
203-359-1360
Contact: Roger Willcox
Furnishes assistance to nonprofit groups, particularly in inner-city areas, in the development of cooperative housing.

Urban Homesteading Assistance Board
Cathedral House
1047 Amsterdam Avenue
New York, NY 10025
212-678-6911
Contact: Philip St. Georges, Director
Assists low-income groups to rehabilitate housing, technical, financial management assistance, homesteading.

Midwest

Community Design Center of Minnesota
118 E. 26th Street
Minneapolis, MN 55404
612-827-2600
Contact: Mark Ryan
Provides technical housing assistance to community organizations in the areas of single-family housing rehabilitation and the retrofitting and management of multi-family housing.

Homeowners' Federation
10234 Washtenaw Avenue
Chicago, IL 60642
Assists neighborhoods in the fight against redlining.

Michigan Avenue Community Organization (MACO)
4330 Central
Detroit, MI 48210
313-849-1410
Contact: Sister Kathleen Bruton
A coalition of Detroit neighborhood organizations involved in anti-redlining campaigns, housing rehabilitation, crime control, and community development.

The Renascence Project
3611 Walnut
Kansas City, MO 64111
816-531-0408
Contact: Matt Taylor
A consortium of for-profit and nonprofit corporations that offers services in housing, energy conservation, and urban agriculture; assists communities in the development of alternative enterprises.

West

United Neighbors in Action
491 65th Street
Oakland, CA 94609
415-654-1747
Assists local groups on tenants' rights, zoning, and land use; housing development.

South

Carolina Action
712 W. Johnson Street
Raleigh, NC 27603
919-834-1138
Contact: Sue Esty
A community organization that assists individuals in housing and community improvement.

2. Neighborhood Financial Development

Alternative Economics, Inc.
P.O. Box 29146
Washington, DC 20017
202-832-5200
Contact: Floyd Agostinelli and Billy McLaughlin
Provides technical assistance to community development credit unions and other community financial development projects.

Community Credit Union Project
National Center for Urban Ethnic Affairs
1521 16th Street, N.W.
Washington, DC 20036
202-232-3600
Contact: Ben Johnson
A national program that assists development of community credit unions; directory of local and regional community credit unions.

Region VI Office
National Credit Union Administration
760 Market Street, Room 809
San Francisco, CA 94102
415-556-6277
Contact: Earl Bradley, Director
Western regional office provides information on credit unions and their regulation.

South Shore National Bank
7054 S. Jeffrey Boulevard
Chicago, IL 60649
312-288-1000
First neighborhood development bank committed to financial assistance to neighborhood revitalization projects.

Southside Community Enterprises
2550 Pillsbury Avenue S.
Minneapolis, MN 55404
612-827-5381
Contact: Tom Beer
A model of a community-organized credit union.

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3. Neighborhood Economic Enterprise

Northeast

Boston Chapter, Federation for Economic Democracy
c/o David Ellerman
14 Norfolk Terrace
Wellesley, MA
617-237-6826
— Assists worker-controlled enterprises.

Federation for Economic Democracy
P.O. Box 802
Ithica, NY 14850
607-387-5110
Contact: Christopher Gunn
— Promotes and assists worker and community-controlled economic enterprises.

National Economic Development Law Project
Washington Office
1523 O Street, N.W.
Washington, DC 20005
202-667-7000
Contact: Leslie Nulty
— Assists CDCs.

Philadelphia Chapter, Federation for Economic Democracy
c/o Frank Lindenfeld
Sociology Department
Cheyney State College
Cheyney, PA 19319
215-436-8824
— Assists worker-controlled enterprises.

Project Work
99 Claremont Avenue
New York, NY 10027
212-666-8911
Contact: Sydney Brown
— Information—a clearinghouse on worker management and improvements in working life.

Strongforce
2121 Decatur Place, N.W.
Washington, DC 20008
202-234-6883
Contact: Mark Looney, Cynthia Burton
— Assists worker and community-controlled enterprises; clearinghouse.

Midwest

Association for Economic Democracy—Midwest
762½ N. Park Street
Columbus, OH 43215
Contact: Ted Hayes
— A clearinghouse on worker or consumer-owned economic enterprise.

Doing It! Humanizing City Life
Box 303
Worthington, OH 43085
614-885-8964
— A clearinghouse on the development and management of co-ops and neighborhood economic enterprises.

Kansas City Regional Development Association
The Future Associates
P.O. Box 912
Shawnee Mission, KS 66201
914-432-8743
Contact: Joe Falk, General Manager
— A nonprofit organization committed to neighborhood economic development through cooperative enterprises. Assists neighborhood enterprises such as a community development cooperative begun in Columbia, Missouri.

West

Community Ownership Organizing Project
349 62nd Street
Oakland, CA 94618
415-653-6555
Contact: Ed Kersher or Eve Bach
— A clearinghouse and offers technical assistance to groups seeking to organize community-controlled enterprises.

Constructive Work Project
c/o New Ways to Work
457 Kingsley
Palo Alto, CA 94301
Contact: Mike Closson
— A clearinghouse and research group dealing with worker management and improvements in working life.

Earthwork
1499 Potrero
San Francisco, CA 94110
415-648-2094
— A center for organizing and education on land and food issues, provides assistance to groups forming buying clubs and co-op stores; maintains directory of Bay Area co-ops and collectives, and distributes pamphlets and books.

New School for Democratic Management
256 Sutter Street
San Francisco, CA 94108
— Offers courses and workshops on financial management, marketing, accounting for community economic enterprise.

4. Food Cooperatives and Urban Agriculture

Northeast

Broadway Local Food Co-op
95th and Columbus
New York, NY 10025
212-663-2266
Contact: Tony Velleda

Central N.Y. Regional Market
2100 Park Street
Syracuse, NY 13208

Clear Eye Warehouse
367 Orchard
Rochester, NY 14606
716-235-1080

Community Warehouse
2010 Kendall Street, N.E.
Washington, DC 20002
202-832-4517

New England Federation of Co-ops (NEFCO)
8 Ashford Street
Allston, MA 02134
617-ALIVING
Contact: Don Lubin

People's Warehouse
21 2nd Avenue
New York, NY 10003
212-477-9685

Philadelphia Federation of Food Co-ops/ Powelltown Warehouse
3300 Race Street
Philadelphia, PA 19104

Midwest

All Co-op Assembly
P.O. Box 6022
Minneapolis, MN 55406
612-721-4925
Contact: Kris Olsom

Blooming Prairie Warehouse
529 S. Gilbert
Iowa City, IA 52240
319-338-5300

Common Market Warehouse
Box 8253
Columbus, OH 43201
614-294-0145

Federation of Ohio River Cooperatives
80 E. Swan
Columbus, OH 43215
614-238-3672
Contact: Tim Wagner

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Food Co-op Project
64 E. Lake Street
Chicago, IL 60601
312-269-8101

Intra-Community Cooperative
1335 Gilson
Madison, WI 53715
608-251-2403

Michigan Federation of Food Co-ops
404 W. Huron
Ann Arbor, MI 48103
313-761-4642
Contact: Allen Leiserson-Cash

Midwest Cooperating Consumers Association Warehouse (MCCA)
4140 W. Pine
St. Louis, MO 63130

SCOOP/People's Warehouse
123 E. 26th
Minneapolis, MN 55404
612-824-2634

The Sprout Co-op
c/o Martha's Housing Cooperative
225 Lakelawn Place
Madison, WI 53703
608-256-8476
608-256-1151

Southwest

Austin Community Project
1602 W. 12th
Austin, TX 78703
512-477-6255

Common Market of Colorado
1100 Champa
Denver, CO 80204
303-893-3430

Cooperation
5423 Druid Lane
Dallas, TX 75209

Earthwork
1499 Potrero
San Francisco, CA 94110
415-626-1266

People's Warehouse
411 No. 7th
Tucson, AZ 85705
602-884-9951

San Francisco Warehouse
1559 Bancroft
San Francisco, CA 94124
415-822-8830

Southern California Cooperating Community
11615 Mississippi
Los Angeles, CA 90025
213-478-1922

South

Appalantic Federation of Cooperatives
Box 1164
Roanoke, VA 24006
703-344-8637
Contact: Bill Wolf
Technical assistance to food co-ops in Virginia, West Virginia, and the Carolinas.

Federation of Southern Cooperatives
40 Marietta Street, N.W.
Atlanta, GA 30303
404-524-6882
Contact: Charles Prejean
Technical assistance to agricultural cooperatives and credit unions.

Federation of Southern Cooperatives
P.O. Box 95
Epes, AL 35460
205-652-9676
Contact: John Zippert

Sunshine Cooperative Association
4435 N.W. 2nd
Miami, FL 33127

Northwest

Cooperating Communities
4030 22nd Avenue, W.
Seattle, WA 98199
206-283-3777

Puget Consumers Co-op
6504 20th, N.E.
Seattle, WA 98115
206-524-8441
Contact: Kenneth Novic

Starflower
385 Lawrence
Eugene, OR 97401

5. Alternative Technology and Energy Projects

Northeast

Wyman E. Kilgore
1520 Bailey Street
Hastings, MA 55033
612-437-6654
Has built renewable energy systems including a solar hot water heater, methane generator, and conversion of a gravel lot to a garden with use of heavy composting.

Richard La Rosa
317 Oak Street
South Hempstead, NY 11550
516-486-7827
An electrical engineer who designs solar energy systems including backyard solar collectors, an insulated swimming pool for heat storage.

Charles Marsh
31 Donna Drive
Pomona, NJ 08240
609-652-7312
A retired professor of physics and engineering who designs solar energy systems such as low-cost retrofit of air heating collectors, to the vertical south walls of his home.

Mid-Atlantic Solar Energy Association
Department of Agriculture
University of Pennsylvania
Philadelphia, PA 19104

Midwest

Alternative Sources of Energy, Inc.
Route 2
Milaca, MN 56353

Alternative Technologies Association
P.O. Box 20571
Indianapolis, IN 46220

G. Herbert Gill
1817 W. 21st Street
Joplin, MO 64801
417-624-8070
Consulting engineer engaged in solar and wind energy applications for the home, including solar water distribution units, solar hot water heating, variable pitch propellor windmill.

Robert McBroom
217 Kansas
Holton, KS 66436
913-364-2443
Specializes in windpower systems and has experience in designing and installing wind generators and solar heating equipment.

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Southwest

Alternative Energy Institute
PO Box 3100
Estes Park, CO 80517

Domestic Technology Institute
PO Box 2043
Evergreen, CO 80439
Contact: Malcolm Lillywhite, Director
Greenhouses, low-cost heating technologies.

Farallones Institute
1516 5th Street
Berkeley, CA 94710
415-1525-1150
Contact: Helga Olkowski or Tom Javits
Alternative technology, energy conservation, urban agriculture.

George Helmholz
Route 1, Box 24 A
Covelo, CA 95428
Designs and builds wind electric systems, solar "breadbox" preheaters, night-sky radiation refrigeration, solar collectors, solar steam-driven water pumps for application in homes.

Intermediate Technology
556 Santa Cruz Avenue
Menlo Park, CA 94025

Office of Appropriate Technology
1623 10th Street
Sacramento, CA 95814
Clearinghouse on alternative technology projects.

Peter Van Dresser
634 Garcia Street
Santa Fe, NM 87501
A pioneer in the solar energy field since the 1930s. Author of *A Landscape for Humans* which examines local economic development based on local skills, materials, and renewable energy.

Northwest

RAIN
2270 N.W. Irving
Portland, OR 97210
503-227-5110
Clearinghouse of research and technical assistance on alternative technology.

South

Joseph Ennis
Star Route
Poplar Branch, NC 27965
Mechanical and electrical engineer who designs and builds renewable energy systems including solar heating and wind electricity, solar greenhouse; conducts workshops on alternative energy and low-cost shelter.

Enos L. Schera, Jr.
8254 S.W. 37th Street
Miami, FL 33155
305-226-0199
A private inventor who holds patents in the fields of alternative energy devices powered by sun, wind, and ocean waves.

C. Foundations and Other Philanthropic Institutions

There are more than 25,000 foundations in the United States. Some like the Ford Foundation are multi-million dollar institutions that support a great many activities. A number are sponsored by business corporations. Most are small and involved in very specific, limited, and local activities.

The foundations and other philanthropic institutions listed below are active in urban affairs and community economic development. They provide grants, or seed capital, or offer technical assistance. Most foundations take applications and have deadlines. The process usually begins with a letter stating the nature of the project. A good way to identify which foundations provide the kind of assistance needed is to consult The Foundation Directory, 6th edition, published by The Foundation Center (New York: Columbia University Press, 1977). Most libraries contain a copy of this massive volume that describes foundation activities and application procedures. The Foundation Center is headquartered at 888 Seventh Avenue, New York, New York, (tele.: 212-975-1120). It or its regional offices can provide additional information on how to apply to foundations for support.

Alcoa Foundation
1501 Alcoa Bldg.
Pittsburgh, PA 15219
412-553-3246

American Express Foundation
American Express Plaza
New York, NY 10004

The Bush Foundation
W-962 First National Bank Bldg.
St. Paul, MN 55101

Cabot Foundation, Inc.
125 High Street
Boston, MA 02110
617-423-6000

Campaign for Human Development
1312 Massachusetts Avenue, N.W.
Washington, DC 20005
202-659-6650

Cooperative Assistance Fund
Suite 701
2021 K Street, N.W.
Washington, DC 20006
202-833-8543

Cummings Engine Foundation
1000 5th Street
Columbus, IN 47201
812-379-5160

Dayton Hudson Foundation
777 Nicollet Mall
Minneapolis, MN 55402
612-370-6554

Esmark, Inc. Foundation
111 W. Jackson Boulevard
Chicago, IL 60604

Exxon USA Foundation
800 Bell Avenue
Houston, TX 77002
713-656-3008

The Field Foundation, Inc.
100 E. 85th Street
New York, NY 10028
212-535-9915

Field Foundation of Illinois, Inc.
135 S. LaSalle Street
Chicago, IL 60603

Ford Foundation
320 E. 43rd Street
New York, NY 10017
212-573-5000

General Mills Foundation
9200 Wayzata Boulevard
Minneapolis, MN 55440
612-540-3337

Ghetto Loan and Investment Committee
15 2nd Avenue
New York, NY 10017
212-867-8400

The Hillman Foundation, Inc.
2000 Grant Bldg.
Pittsburgh, PA 15219
412-566-1480

Inland Steel-Ryerson Foundation, Inc.
30 W. Monroe Street
Chicago, IL 60603
312-346-0300

Kellogg (W.K.) Foundation
400 North Avenue
Battle Creek, MI 49016
616-965-1221

Kettering (Charles F.) Foundation
5335 Far Hills Avenue, Suite 300
Dayton, OH 45429
513-434-7300

Lavanburg (Fred L.) Foundation
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New York, NY 10017

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2801 N. Meridian Street
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317-924-5471

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The Luce (Henry) Foundation, Inc.
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New York, NY 10020
212-489-7700

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P.O. Box 516
St. Louis, MO 63166

Mayer (Oscar) Foundation
5725 N. East River Road
Chicago, IL 60631
312-922-8050

Meyer (Eugene & Agnes E.) Foundation
1730 Rhode Island Avenue, N.W., Suite 1212
Washington, DC 20036
202-659-2435

Mott (Charles Stewart) Foundation
500 Mott Foundation Bldg.
Flint, MI 48502
313-239-9441

Presbyterian Economic Development Corp.
475 Riverside Drive
New York, NY 10027
212-870-2218

Public Welfare Foundation, Inc.
2600 Virginia Avenue, N.W., Rm. 511
Washington, DC 20037
202-965-1800

The Quaker Oats Foundation
Merchandise Mart Plaza, Rm. 345
Chicago, IL 60654
312-222-6981

Rockefeller Family Fund, Inc.
49 W. 49th Street
New York, NY 10020
212-247-8135

The Rockefeller Foundation
1133 Avenue of the Americas
New York, NY 10036
212-869-8500

The San Francisco Foundation
425 California Street
San Francisco, CA 94104
415-982-1210

The Singer Company Foundation
30 Rockefeller Plaza
New York, NY 10020
212-581-4800

Southern Cooperative Development Fund
1006 Surrey Street
P.O. Box 3885
Lafayette, LA 70501
318-232-9206

Tishman Realty Foundation, Inc.
666 5th Avenue
New York, NY 10019

United States Steel Foundation, Inc.
600 Grant Street, Rm. 5906
Pittsburgh, PA 15230
412-433-5238

Wieboldt Foundation
11 S. LaSalle Street
Chicago, IL 60603
312-726-1553

Xerox Fund
Xerox Corporation
Stamford, CT 06904
203-329-8711

The Zale Foundation
3000 Diamond Park
Dallas, TX 75247
214-638-8182

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FARMERS HOME ADMINISTRATION A Rural Credit Agency of the U.S. DEPARTMENT OF AGRICULTURE

APPENDIX C-4

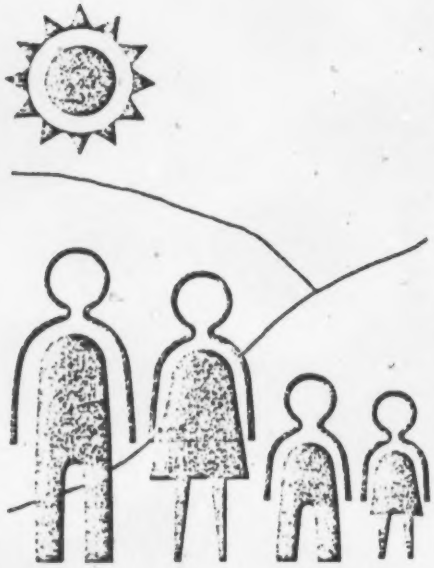
FmHA CREDIT FOR AMERICAN INDIANS

This fact sheet is designed to make American Indians more aware of Farmers Home Administration (FmHA) programs and how assistance may be obtained.

Applications for loans and grants are considered regardless of sex, race, color, creed, marital status, or national origin of the applicant. Applications from eligible veterans have preference for processing.

Because eligibility requirements vary based on programs, FmHA recommends that interested persons contact the Farmers Home Administration county office serving their area.

The agency provides credit in four major areas: Farming, Housing, Business and Industrial, and Community programs. Specific programs within each category are described below.



I. FARMER CREDIT — Borrower must be a family-sized operator, personally operating his farm, at least on a part-time basis. Borrowers must be unable to get credit from regular commercial sources.

Farm Ownership Loans

Purpose: To buy land, refinance debts, construct, or improve buildings, improve farmland, develop water facilities, and establish, improve or carry on business enterprises to supplement farming income. These loans may be made to an Indian applicant who owns land in a trust or restricted status.

Who May Borrow: Qualified Indians who will get a substantial share of their income from farming.

Farm Operating Loans

Purpose: To buy livestock, equipment, feed, seed, fertilizer, supplies for farm and home operations; refinance debts or pay interest; improve forest lands, establish nonfarm enterprises to supplement farm income.

Who May Borrow: Eligible Indians who are operating or will operate not larger than family farms.

Farm Emergency Loans

Purpose: To help eligible Indian farmers and ranchers restore their operations damaged by designated natural disasters.

Who May Borrow: Eligible Indian farmers and ranchers who suffered a substantial loss from the designated disaster.

Emergency Livestock Loans

Purpose: To establish a line of credit for Indians in the livestock business who are caught in an economic squeeze.

Who May Borrow: Individual

Program Aid No. 1129
November 1975

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Indians, partnerships or corporations who are primarily in the livestock business.

Irrigation and Drainage Loans

Purpose: To develop community irrigation, drainage, and other soil and water conservation measures.

Who May Borrow: Public agencies, nonprofit corporations, or Indian tribal groups.

Grazing Association Loans

Purpose: To acquire and develop grazing land for livestock of association members.

Who May Borrow: Nonprofit corporations owned, operated, and managed by neighboring members who are family farmers or ranchers.

Indian Land Acquisition Loans

Purpose: To provide Indian tribes money to buy land within their reservations.

Who May Borrow: Eligible tribes or tribal corporations or an Alaskan Indian community incorporated by the Secretary of Interior in conformity with the Indian Reorganization Act.

Soil and Water Conservation Loans—Individuals

Purpose: To finance land and water conservation and development measures such as forestation, drainage of farm land, irrigation, pasture improvement, and related land and water use adjustments.

Who May Borrow: An eligible owner, tenant, leaseholder, partnership, or domestic corporation.

Recreation Enterprise Loans

Purpose: To develop recreation areas, including swimming, fishing, boating, and camp facilities.

Who May Borrow: Individual farmers planning income-producing outdoor on-farm recreation.

Youth Loans

Purpose: To establish and operate income-producing projects that will provide practical business experience.

Who May Borrow: Rural youths enrolled in an organized and supervised program, including Indian students attending local and boarding schools where supervised programs are available.

II. HOUSING CREDIT—Families of low to moderate income may obtain loans to buy, build, or repair homes for their own use. Loans for rental housing may be made to individuals, partnerships, trusts, and Indian profit and nonprofit corporations. Housing is for open country or towns that are rural in character with population not more than 10,000. Loans may be made in towns with populations between 10,000 and 20,000 that are outside of standard metropolitan statistical areas if the Secretary of Agriculture and the Secretary of Housing and Urban Development find there is a serious lack of mortgage credit. Borrowers must be unable to get credit from regular commercial sources at regular rates and terms.

Individual Homeownership Loans

Purpose: To buy, build, improve, or relocate homes, to buy building sites, and to refinance certain housing debts.

Who May Borrow: Low to moderate income Indian families who will occupy homes in rural areas. These loans may be made to an Indian applicant who owns land in a trust or restricted status.

Repair and Rehabilitation Housing Loans

Purpose: To make repairs to remove health and safety hazards.

Who May Borrow: Very low income owner-occupants who have repayment capability for small loans.

Rental and Cooperative Housing Loans

Purpose: These loans may be used to build, buy, improve, repair rental apartments or cooperatively owned housing for occupancy by low to moderate income families and senior citizens.

Who May Borrow: Nonprofit and profit corporations, cooperatives, partnerships, and individuals. On reservations, the applicant must own or become owner of the building site even though the land may be in a restricted status.

Rural Housing Site Loans

Purpose: This program is designed to make building sites available for sale to low and moderate income families as well as to nonprofit corporations for rental housing. Loans may be used to buy and develop the building sites.

Who May Borrow: Indian tribes may form nonprofit corporations to qualify for this loan. Public agencies also may qualify.

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Farm Labor Housing Loans

Purpose: A means to buy, build, or repair housing and related facilities for domestic farm labor.

Who May Borrow: Farmowners and associations of farmers, broadly based nonprofit organizations and nonprofit organizations of farmworkers.

III. BUSINESS AND INDUSTRIAL CREDIT—Loans to promote development of business and industry, or for small business enterprises, in rural communities, including towns not over 50,000 population, and on Indian reservations. Preference is given to applications for projects in open country, rural places such as reservations, and towns of 25,000 population and smaller.

Business and Industrial Loans

Purpose: To develop or finance business or industry, increase income and employment, and control or abate pollution.

Who May Borrow: Individuals and legal entities, including public and private organizations, and recognized Indian tribal groups.

IV. COMMUNITY CREDIT — Rural towns of up to 10,000 population, counties, and special purpose districts may borrow to improve or develop essential community facilities. Nonprofit corporations may also receive loan assistance when adequate plans for loan repayments are made.

Community Facility Loans

Purpose: To construct community water and waste disposal systems, community centers, fire stations, and other essential community facilities.

Who May Borrow: Public agencies, private organizations, and recognized Indian tribal groups.

Resource Conservation and Development and Watershed Loans

Purpose: To conserve and develop natural resources or flood control in areas designated by the Soil Conservation Service. Loans must be for community benefit or contribute to the economic improvement of the area.

Who May Borrow: Agencies authorized under State law, public agencies, nonprofit corporations, or Indian tribal groups.

V. GRANTS — Although FmHA is primarily a loan agency, the following grant programs are available:

Self-Help Technical Assistance Grants

Purpose: Grants are used to provide technical and supervisory assistance to low income families who carry out self-help home building efforts as a group. Individual loans are obtained by the families for construction.

Who May Receive Them: Nonprofit corporations may be formed to qualify for these grants. Public agencies also may qualify.

Farm Labor Housing Grants

Purpose: Grants may be provided to supplement loans. Generally, they may be used for the same purposes as loan funds.

Who May Receive Them: Grants may be made to a political subdivision, a broadly based nonprofit corporation or a nonprofit organization of farmworkers.

Business and Industrial Development Grants

Purpose: Grants are to finance industrial sites resulting in development of private business enterprises.

Who May Receive Them: Public bodies and recognized Indian tribal groups. Water and Waste Disposal Development Grants.

Purpose: Grants may be made for up to 50 percent of project development costs. The money may be used for the same purpose as loan funds.

Who May Receive Them: Public agencies, private organizations and recognized Indian tribal groups.

This publication supersedes the fact sheet "FmHA Credit for American Indians".

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APPENDIX C-5

HANDBOOK FOR COMMUNITY ECONOMIC DEVELOPMENT

Syyed T. Mahmood and Amit K. Ghosh
Editors

COMMUNITY RESEARCH GROUP (CRG)
a Wholly Owned Subsidiary of
The East Los Angeles Community Union (TELACU)

The statements, findings, conclusions, recommendations, and data are solely those of the authors and CRG and do not necessarily reflect the views of any of the Federal agencies cited below.

This Handbook is an inter-agency project funded by five Federal agencies:

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration

Division of Economic Research, EDA (lead agency)
Office of Minority Enterprise (OMBE)
United States Travel Service (USTS)

Office of Economic Development, CSA

Office of Neighborhood Development, HUD

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FOREWORD

It is clearly evident that in the midst of our Nation's great wealth and technological advances a great many of our citizens live in poverty. Attempts to eradicate pockets of poverty in our urban centers and rural communities have proven intractable. For such neighborhoods and communities with few economic assets, development requires substantial resources to address a broad range of inter-related needs: the creation of jobs with a potential for upward mobility, attraction of capital for business development, attraction of long-term investment for land acquisition and development, manpower training, and vocational educational funds.

Local government's attempts at addressing the complex socio-economic problems of pockets of poverty often have been overshadowed by the general decline of the central city's tax base to suburban areas. As a matter of fact, the President's National Urban Policy Report, August 1978, offered the following as some of the reasons why our urban areas are in trouble:

- In most central cities, the private sector economic base has declined or stagnated. Minority youth unemployment remains more than 30%.
- The central cities are losing population, leaving behind the poor and dependent. Approximately 34 percent of all central city families now depend on some form of public assistance (page 36).
- Because of fiscal pressure, states and localities have reduced expenditures for maintenance of public facilities. This deteriorating infrastructure has contributed to the private sector economic decline and population migration.
- The cities are becoming areas where minorities concentrate due to lack of access to opportunity.

These problems of urban decay, loss of population and jobs and the mounting cost of public services threaten the economic vitality of our cities. Because the complexity and diversity of urban problems escape any one implementable solution, city government alone cannot rebuild the neighborhoods of our cities. Given these realities, it is imperative that as many successful models of implementation as possible be identified and utilized at the local level. This is especially true in dealing with severely deteriorated neighborhoods and pockets of poverty.

Experience over the past fifteen years has shown that many of the most creative and successful approaches to neighborhood revitalization and stabilization have come from neighborhood residents themselves. In case after case, neighborhood residents have come together, formed organizations and partnerships

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of various types and confronted their problems collectively. They have demonstrated a capability to integrate and coordinate public and private resources into comprehensive strategies to deal with local issues. Accountability to local residents and their closeness to the particular needs of the community has created pressures for these community-based organizations to maintain a high level of performance.

Although these examples have been isolated and local in character; and, while neighborhood spokesmen recognize the need for organizations to move beyond confrontation into collaborative relationships with local government, the state-of-the-art is limited. Nevertheless, we cannot ignore situations where community residents organize themselves to improve their economic condition through a process of community-based economic development.

There is a tremendous need for building the capacity of community-based economic development organizations to participate and implement economic development solutions which directly impact their neighborhoods. Conversely, there is a need to strengthen the institutional capacity of state and local government to understand the role of community-based economic development as part of a city-wide economic development strategy which addresses urban decay. By maximizing and leveraging the resources of community residents with those of local government, lasting partnerships can be created with the private sector to address the needs of severely deteriorated neighborhoods and pockets of poverty.

It is precisely these needs for capacity building at the neighborhood level, and for understanding at all levels of government for community economic development, which have brought together five federal agencies (Economic Development Administration,EDA; Community Services Administration,CSA; Department of Housing and Urban Development (HUD); Office of Minority Business Enterprise (OMBE); and U.S. Travel Service, to commission this Handbook. A Technical Advisory Committee was formed to ensure that the collective experience of these agencies be reflected in the development of the Handbook. While the success of this effort is yet to be determined, this inter-agency project represents a commitment to jointly address the economic problems of poor communities.

East Los Angeles, California
February, 1979

Celestino M. Beltran
President, CRG

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PREFACE

Community economic development is a relatively recent phenomenon. Although there has been a long history of communities banding together to implement projects generally related to economic development, the appearance of a non-profit legal entity devoted to community economic development gained acceptance by the government with the passage of Title I-D of the Economic Opportunity Act of 1964 as amended. It is important to distinguish between community organizations involved in providing social services and those that have explicitly recognized community economic development as their primary goal. This latter group is referred to in this Handbook as a Community Development Organization (CDO), and represents the primary reader.

Community based economic development concentrates on the development of neighborhood community institutions which can enable minority and white low-income groups to pool their resources and talents to create jobs, income, and managerial and ownership opportunities for themselves. It is an attempt to use business methods and organization to provide economic and social benefits to severly distressed neighborhoods and pockets of poverty. Community-based economic development derives from a central organizing principle that community control of the redevelopment process will be more effective in directing the benefits of the process to neighborhood residents. From this principal of community accountability, the overall objectives of this institutional model include:

- The development of business and economic institutions which increase the income of community residents.
- Provision of more and better employment opportunities both inside and outside the community.
- Participation in the ownership and management of such firms and institutions by the residents of communities in which they are located.
- The development of more skilled human and technical resources than are presently available in such communities.
- The development of economic, social, and political institutions which the community can view with pride and which will be responsive to its collective wishes.

Given the relatively short history of institutionalized community economic development, and the vast diversity within it, both in terms of the environment within which it takes place and the goals of the organization, it was difficult to determine what the contents of a Handbook such as this ought to be and how they ought to be organized. The experience in economic development of The East Los Angeles Community Union (TELACU), the parent of Community Research Group (CRG), was considered insufficient. Therefore, six CDOs were visited (names noted in Acknowledgments) across the country. From these visits and informal contacts with other CDOs and the Technical Advisory Committee, it became apparent that there are four types of CDOs with three needs relevant to the Handbook.

CDO TYPES

1. Newly formed community groups with an interest in economic development.

2. Established community groups with experience in social services but now shifting focus to economic development.

3. CDOs with experience in community economic development, but experiencing severe problems.

4. Well-established large CDOs.

While each of these CDO categories shows a different emphasis on what they require from this handbook, these needs can be categorized as:

CDO NEEDS FROM THIS HANDBOOK

1. The need for assistance in planning and implementation of economic development.

2. A survey of technical subjects necessary to plan for and implement economic development at the community level.

3. A compilation of important terminology used in economic development and a summary of major programs relevant to community economic development.

It became apparent that to satisfy all CDO needs the Handbook would become unacceptably long. Thus after at times agonizing efforts, the decision was made to organize the Handbook into three parts with two Appendices.

THE ORGANIZATION OF THE HANDBOOK

Part 1, *Background on Community Economic Development*, has a twofold purpose. The first is to answer questions such as what is community economic development and how does it differ from other forms of sub-national econom-

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ic development? The second is to provide the minimum technical information on the workings of an economy and the evolution of community groups from single issue informal organizations in confrontation with local government to multiple-goal formal organizations working with the public and private sectors of the economy.

Part 2, *The Development Process*, the heart of the Handbook is organized into five chapters, it takes a hypothetical CDO through the main steps of the development process, from assessing community needs, organizing an investment strategy, implementing a project to evaluating the total effort.

While each of these steps is covered as individual chapters organized in a logical sequence it is fully recognized that in reality one may not have the luxury of proceeding in this manner. At any given time a CDO might be reevaluating its goals, packaging a project, and having a hard time staying in operation.

Figure P.1 presents a bird's eye view of the process and the logical relationships between the chapters. The contents of the five chapters include:

Chapter I — Initial assessment assumes that before economic development can begin, a CDO will want to know about important issues in the community, the state of the organization, and understand the state of the larger regional economy and political attitudes toward community economic development. It ends with a worksheet to aid the CDO in posing the right questions — such as, why is our community not participating in the prosperity of the region? — and categorizing the appropriate responses.

Chapter II — Investment Strategy takes the worksheet of the previous chapter as a data base for understanding community goals, and uses it to assist in formulating organizational goals and economic development strategies. The chapter concludes with methods for identifying and selecting projects.

Chapter III — Individual Project Planning and Packaging shifts to one representative project picked by the CDO under its investment strategy and examines the steps necessary in preparing the project plan, writing the project proposal, and preparing business plans. This distinction between project proposals and business plans is based on the assumption that a CDO works with *both* the public and private sectors and that each have separate needs.

Chapter IV — Implementation considers organizing, staffing and directing projects. It ends with a section on monitoring project performance.

Chapter V — Evaluating the Development Process identifies important issues in evaluating CDO performance before turning to measuring the economic impact on the community.

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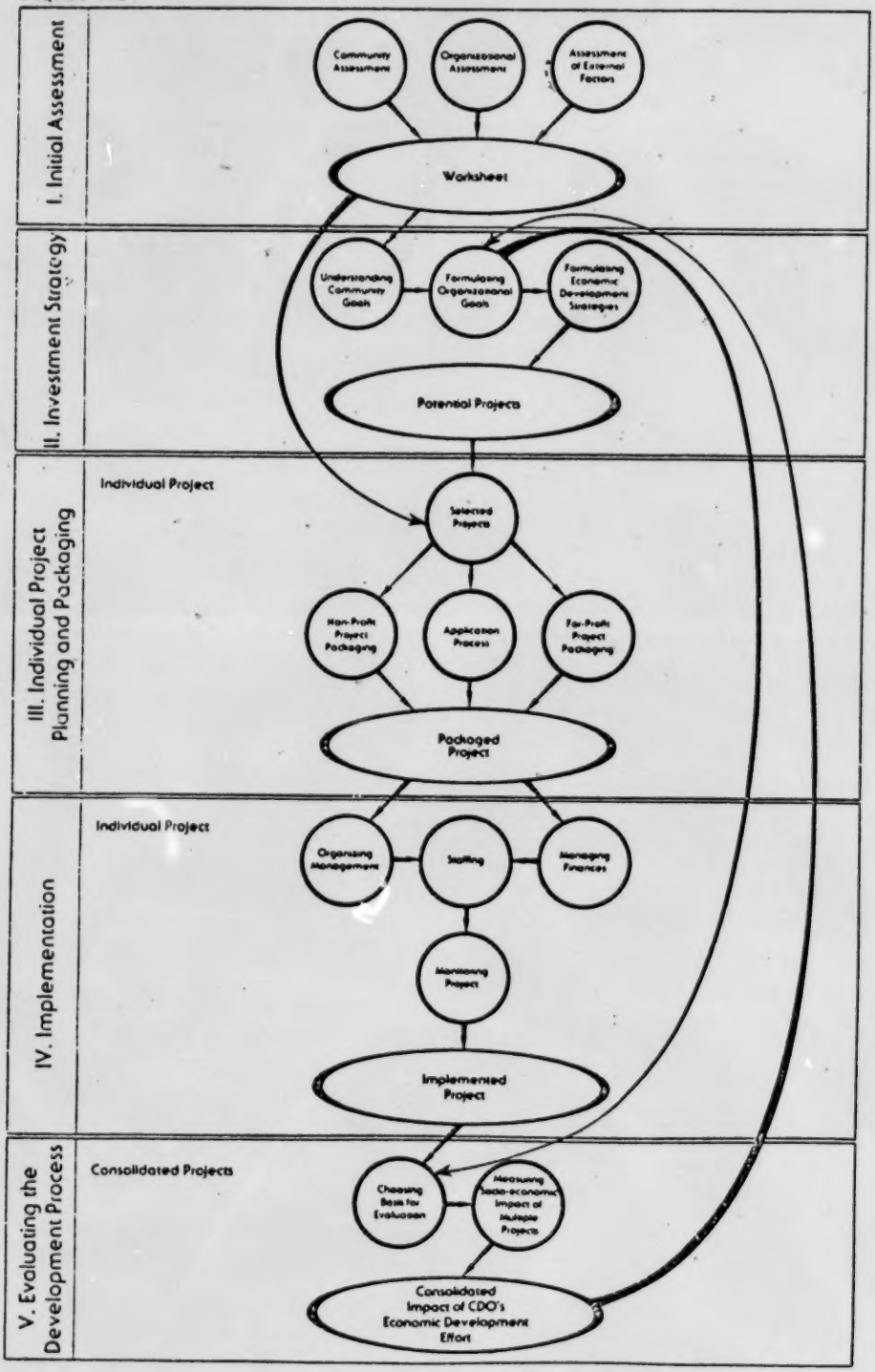
Figure P.1



PART 1

BACKGROUND ON COMMUNITY

ECONOMIC DEVELOPMENT

PART SUMMARY

This Part has been designed to provide a basic technical background for the rest of the Handbook. It is divided into three sections:

1.1 What is community economic development and how does it differ from other forms of economic development?

1.2 A brief description and framework of the community economy and issues in economic development

1.3 The evolution of Community Development Organizations (CDOs) over time.

While CDOs no doubt know why they exist, it is important to understand their role in the larger socio-economic system and the advantages and disadvantages this provides them. In particular we know that cities and regional bodies also attempt to implement economic development, yet what is different when a non-profit community group tries to do it?

At the same time, before a CDO can attempt to plan for and implement community economic development a basic knowledge of the economy is essential. Even when this knowledge is not explicitly utilized, it provides useful insights into investment decisions.

The last section of this part considers important structural changes which occur in the evolution of community organizations from informal confrontation community groups devoted to a single issue to formal organizations pursuing multiple goals and working with the private and public sector.

1.1 WHAT IS COMMUNITY ECONOMIC DEVELOPMENT?

Ideally economic development should be related and measured by some standard of quality of life. Quality of life then would not only include the ability to buy more or better quality material goods but also express a concern for work conditions, health and the allied concern for environmental degradation, and perhaps most important of all, the ability to shape one's future.

Dealing with these concerns is so difficult both conceptually and practically, that we often fall back on the view that economic development means to provide jobs and increase the ability of individuals to earn more income.

This working definition of economic development would imply that almost everyone should be for it. Consequently, all levels of government attempt to implement economic development in some form. But what is different about community economic development? Three conditions have to be met for community economic development.

1. *A community in terms of a geographic area and some or all the residents in it.* We may, for example, be only interested in the low income residents or the Samoan minority rather than everyone living there.

2. *A non-profit corporation, a Community Development Organization (CDO), with the explicit goal of fostering economic development within the community.* This corporation works with both the public and private sector to invest in the community and create economic development opportunities besides providing human services. Often these development initiatives involve the creation of new for-profit businesses in the community.

3. *Some form of control by the community.* Usually this control is exercised through a board of directors at least partially selected from the community.

While government efforts at economic development have the same objective in terms of creating jobs and increased income, they only differ in the modes of implementation. An implementation process that takes the policy mandates and provides a mechanism to consolidate public and private resources to create jobs and income for community needs.

During the 1960s a large number of economic development programs were attempted by the federal government to provide jobs and income for pockets of poverty in inner city areas. As the President's National Urban Policy Report suggests, these programs have at best been marginally successful. Programs that relied on direct transfer payments have tended to be far more successful in reducing poverty.

While it is not easy to provide ready answers to the problems of national policy aimed at inner city poor communities, it is clear that at least two conditions have to be met to insure success:

- A set of well thought-out national and local policies to provide a clear cut direction for economic development at the community level.

- An implementation process that takes the policy mandates and provides a mechanism to consolidate public and private resources to create jobs and income for community needs.

Policy development at the national level requires a committment by the legislative and executive branches of the government and an understanding of the limited knowledge of the working of a complex socio-economic system such as ours. These limits in turn, and detailed knowledge of local

conditions, constrain the abilities of the federal government to determine the appropriate set of economic development policies that meet the unique needs of each area.

Implementation, on the other hand, requires a coordination among different government agencies, between federal, state and local governments, and between all of these and the private sector. This is a formidable task, and as one astute implementation theorist has observed:

> It is hard enough to design public policies and programs that look good on paper. It is harder still to formulate them in words and slogans that resonate pleasingly in the ears of political leaders and the constituencies to which they are responsibe. And it is excruciatingly hard to implement them in a way that pleases anyone at all, including the supposed beneficiaries or clients.°

When government intervention is understood in this context, we should be impressed with what has been accomplished rather than with what has failed.

In recognition of these problems of implementation, the federal government has attempted to foster community economic development by directly providing incentives and disincentives to both business and inner city residents and by giving money to cities through formula and block grants.

The problem with incentives, positive and negative, is that independant businesses may or may not choose to accept them or, worse still, they may accept them and not produce the results intended by the policy. Bennet Harrison provides two examples of incentives that lead to unsuccessful outcomes.

"At the same time (1967-68), the Department of Labor launched its Special Impact Program (SIP)*. Three firms which moved into the Brooklyn ghettos 'received more than $3.5 million to hire and train 1,200 people for at least six months at low-wage unskilled jobs: at the end of two years all three firms had closed down the ghetto sites and between them had managed to employ only 300 people for more than six months.'† SIP's activities in East Los Angeles were even more disastrous. Five firms received a subsidy of $5 million to locate in the Chicano barrio and employ about 1,600 residents.

"One of the firms moved closer to East Los Angeles than it had been before, three of them located about the same distance away (as before) and one firm took the Labor Department's money and moved farther out. Three of the firms eventually ended up some twenty miles from East Los Angeles."†

° Eugene Bardach, *The Implementation Game,* (Cambridge: The MIT Press, 1977) p.3.

*This SIP is distinct from the Special Impact Program of the Community Services Administration.

† Geoffry Faux, CDCs: *New Hope for the Inner City* (New York: The Twentieth Century Fund, 1971), p.39.

By 1969, according to an evaluation of SIP conducted by the Westinghouse Learning Corporation, two of the companies were in bankruptcy and a third had 'lost interest in the program.'"*

Even cities receiving federal grants for economic development purposes may not utilize them in accord with the policy mandate. Two well known examples are urban renewal and CETA programs.

As Harrison points out:

> In sharp contrast to the theory, urban renewal programs almost invariably reduce the welfare of the poor, who are displaced from the center of the city, find it almost impossible to afford the new housing constructed on the old sites, and — because of racial and class segregation in the non-ghetto housing — find it difficult to obtain housing elsewhere to replace what they have lost. (Harrison, p.144)

In the case of CETA programs, one notices a similar shift in goals from those mandated by the federal government. Cities have tended to utilize CETA programs as a subsidy to the city budget.

An important question one could ask is, Why do government policies get distorted against "pockets of poverty." While there is no ready answer, at least part of this reason is that in a democratic society local government must respond to its majority constituency as a whole. In a city this constituency includes both poor and rich areas. To the extent that economic power aids in the acquisition of political power, the economic development policies will be distorted at both the formative state and certainly at the time of implementation.

Thus the community economic development has a number of advantages over other forms of implementing economic development in poor communities.

1. It provides a mechanism for gaining an appreciation for the unqiue conditions of a particular community.
2. It fills an institutional gap by coordinating the activities of the private and public sectors. While working in partnership with city government, a Community Development Organization (CDO) can also take direct action, like the private sector, to construct industrial parks, rehabilitate housing, etc.
3. The dual non-profit, for-profit character of CDOs allows for flexibility of implementation. Thus problems associated with affirmative action, neighborhood agitation against projects can be sharply reduced by working through a CDO. The community is less apt to feel manipulated.
4. It allows for greater participatory democracy in establishg a mechanism for determining the direction of economic development in a community.

*Bennett Harrison, *Urban Economic Development* (Washington, D.C.: The Urban Institute, 1974) p.148.

It is not being suggested that a CDO compete with a city. On the contrary, the city has had the traditional responsibility of providing services and expanding the tax base to improve these services to gain a comparative advantage over other cities. A CDO, while maintaining a more specialized function of economic development, can aid in supplementing the efforts of city government.

1.2 THE WORKING OF A COMMUNITY ECONOMY

A. What is an economy?

From one perspective, community economic development may be viewed as the process which attempts to change th economy of the community to better serve the needs of residents. Thus it is important to understand what is an economy in general and what is the economy of a poor community in particular.

Economics is generally defined as the study of decision-making about the allocation of limited resources to competing ends. This definition hardly seems very inspiring, so consider the purposes of any economic system.These are viewed as:

- What and how much to produce
- How to produce
- For whom to produce

From this point of view, economics becomes of central importance. These questions have to be answered by all human societies be they communist, capitalist or socialist. The major differences among these societies are caused by how they choose to respond to these issues.

In the U.S. we have a mixed economy that attempts to rely on markets for the resolution of these issues, and the government only generally intervenes if either markets do not exist or produce in a manner not deemed in the public interest. Yet what is a market? There is a tendency to consider it as some societal process that is in the natural order of things, but it is incorrect to view markets in this manner because markets on a larger scale often require complex rules that have evolved over centuries.

In its most general sense a market is a process of exchange between two or more individuals. A complete specification of a market, however, would include:

1. Several people or institutions.
2. Some item or service in the possession of each that is of interest to one another.

3. Rules of exchange.

4. Allocation of property rights.

If each person or institution pursues what is best for itself, there will be an inherent conflict between the buyers and sellers of the goods or services. If a person is selling shoes he generally wants the highest price possible for them, while a buyer, on the other hand, wants to pay as little as possible. Thus if there were no other interference they might bargain and arrive at some exchange rate like the two pairs of pants or $30 in exchange for the shoes. Since we are used to using money we call this the price.

The important thing to recognize is that both people are better off for the transaction. The seller of the shoes may complain that he didn't get a high enough price just as the buyer might complain about paying too high a price, but we know they always had the alternative of not carrying out the transaction. If the transactions are large enough, *specialization* results. About two hundred years ago (1776), a Scotsman named Adam Smith wrote what is generally regarded as the greatest single contribution to capitalist economics*, *An Inquiry Into the Nature and Causes of the Wealth of Nations.* In this work, Adam Smith cogently argued that if human beings were allowed to pursue their own selfish interest with little government interference, the economy of the country would run efficiently. In other words, the market economy leads to efficiency in terms of maximum production from the given endowment of resources such as labor, land, capital, etc.

The problem with Adam Smith's view of the world is that even an efficient allocation of resources through the market may not be satisfactory to society as a whole. This gets back to questions of quality of life raised at the beginning of the last section. For example, the U.S. economy, famed for its efficiency, has large sections of cities and rural areas in physical delapidation and with people in abject poverty. While this state of affairs might maximize production, the social costs are too high.

The efficiency of the market economy has also been called into question since the disastrous Great Depression of the 1930s and the recurring business cycle which creates periods of recession, characterized by high unemployment and inflation, and boom, characterized by low unemployment and high inflation. The modern disciples of Adam Smith blame almost everything on the government.

When government is not satisfied with the mechanism of production and distribution through markets, it can do one of a number of things.

> *It can declare the market illegal.* We are all familiar with the illegality of the heroin and the sexual prostitution markets.

*As opposed to communist or socialist economics.

- *It can create a new market.* For instance, roads are built for the population and paid for by travelers through gas taxes and vehicle registration.

- *It can modify the market through legal fiat.* We are familiar with legislation against certain types of business monopoly.

- *It can modify the market through the provision of incentives and disincentives.* For example, cigarettes are taxed more than food items in most places with the hope that people will buy more food and consume less items such as cigarettes and liquor.

All these means of changing the market economy may or may not be feasible. Just because *heroin has been declared illegal* doesn't mean the market isn't thriving. When a new market is created it may lead to other unforseen problems. It is now generally recognized that the road market significantly contributed to the growth of suburbs and to "white flight" from the central city leading to problems of urban decay, etc.

Similarly, laws often have limited ability to change the market. It is easy to pass a law that says in effect, *No Redlining!*, but another matter to make this law work.

Earlier in Part 1.1 we saw how attempts at providing incentives to businesses to move into the inner city have often not been too successful. For the incentive to work the business has to believe that the incentive will lead to greater profit. Even if this expectation of greater profit is there, the owner of the business may enjoy suburbia for personal reasons and not take the incentive, or he may let some other business that is on the verge of bankruptcy take it.

From the perspective of government intervention in the market, community economic development may be viewed as the attempt to modify urban and rural market forces by creating a new market. This market consists of members of the community as the recipients or consumers with the CDO as the institution that sells goods and services (economic development) with support from all levels of government and allied with the private sector.

B. The Framework of an Economy

As Figure 1 shows, any economy can be divided into three sectors, the consumer or household sector, the business sector, and the government sector. It is important to recognize that these sectors represent not a division of people but of economic activity. Thus a business has an owner or owners who are also consumers.

Each sector has markets within it and with other sectors. Businesses trade with each other and they also trade with households. Households or consumers include people who work for businesses and offer their services (represented by the arrow going from households to businesses in Figure 1) and in return they receive income which is represented by the arrow in the reverse direction.

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Figure 1

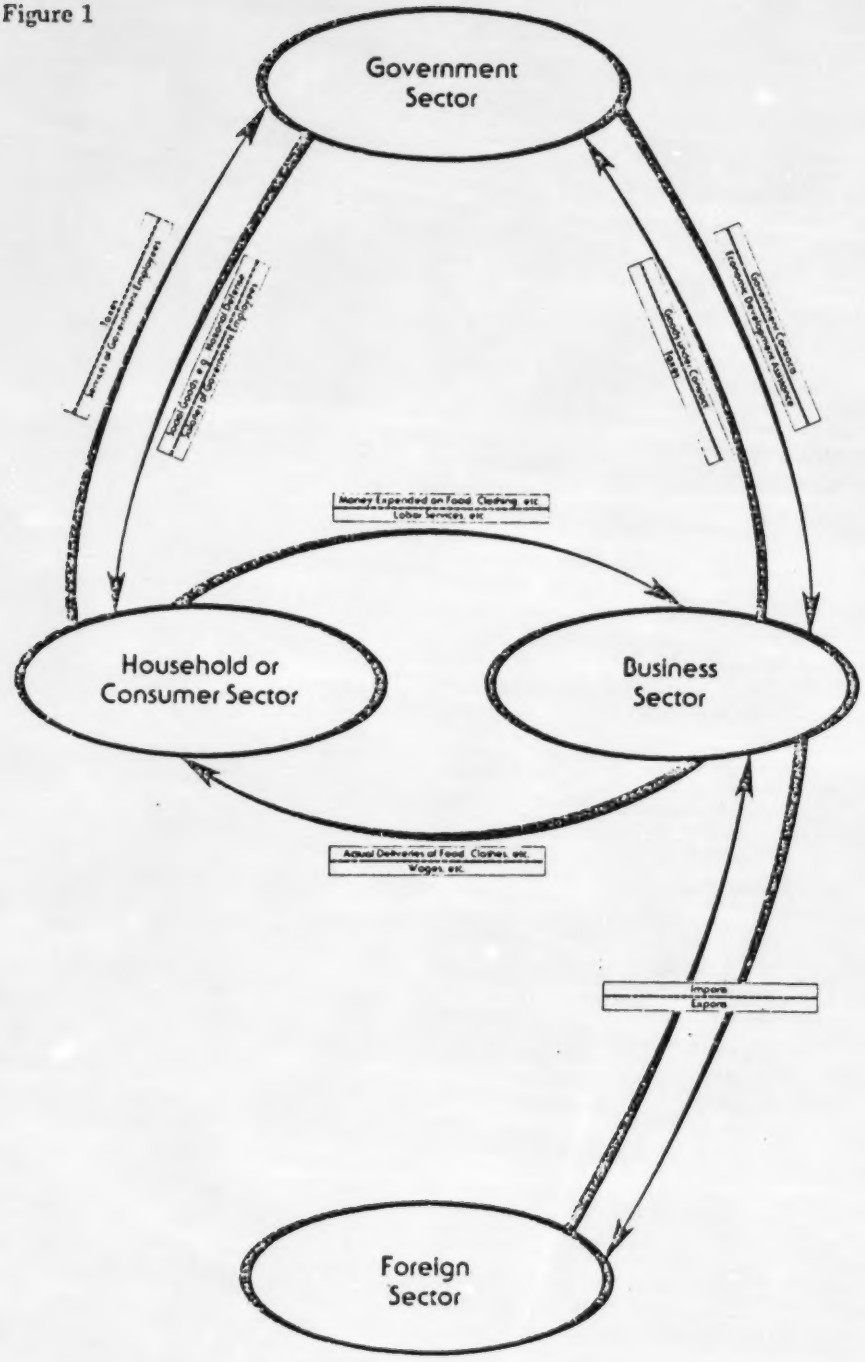

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Figure 2

The East Los Angeles Inter-Regional Accounts 1976

Total Annual Sales of E.L.A. Businesses (Region 1)	$466,720,000
Total Annual Local Sales of E.L.A. Businesses (Region 1)	196,390,000
East Los Angeles Annual Exports	
Exports to Southern California (Region 2)	
1. Export of Goods to the Government Sector (L.A. City and County Gvts.)	11,100,000
2. Export of Goods Non-Governmental	210,440,000
3. Total Exports of Goods to Region 2 Southern California (lines 1+2)	221,540,000
4. Export of Labor (E.L.A. residents working outside E.L.A.)	175,620,000
5. *Total E.L.A. Exports to Region 2 (lines 3+4)*	397,160,000
Exports to the Rest of the U.S. (Region 3)	
6. Export of Goods to the Government Sector (Cal State Gvt. and Federal Gvt.)	11,570,000
7. Export of Goods Non-Governmental	37,210,000
8. Export of Labor (E.L.A. residents working in Region 3)	0
9. Total E.L.A. Exports to Region 3 (lines 6+7+8)	48,780,000
10. *Total Annual Exports of E.L.A.* (lines 5+9)	445,940,000
East Los Angeles Annual Imports	
Imports from Southern California (Region 2)	
11. Import of Goods	193,550,000
12. Import of Labor (Residents of Region 2 working, in E.L.A.)	74,820,000
13. Total E.L.A. Imports from Region 2 (lines 11+12)	268,370,000
Imports from the Rest of the U.S. (Region 3)	
14. Import of Goods	58,860,000
15. Import of Labor (Residents of Region 3, working in E.L.A.)	0
16. Total E.L.A. Imports from Region 3 (lines 14+15)	58,860,000
17. *Total Annual Imports of E.L.A.* (lines 13+16)	327,230,000
East Los Angeles Houshold Income	
Total Annual Household Income of E.L.A. (net)	264,890,000
Total Annual Household Consumption of E.L.A.	250,890,000
Total Annual Household Savings	14,000,000
Total Annual Government Payments Received by E.L.A. Households	30,990,000
Total Annual Income Produced In E.L.A.	371,110,000

Similarly when households purchase goods, they do so from businesses (there is a flow in the figure that has those marked) and in return, the money used to pay for the goods flows back to the business.

The government sector is also involved in a market relationship with both the business and household sector. The government collects taxes from businesses and households. In return, it provides such services to consumers as national defense, medical care, sewage, etc., and to businesses — infrastructure such as water, power, etc. Also the government gives contracts to businesses for which it receives goods in exchange for money. It becomes obvious that for the CDO to function meaningfully, it must have a solid understanding of this framework in order to respond usefully and meaningfully to these dynamics.

Figure 1 also shows all the trade with foreign countries being conducted through the business sector. This identifies it as the economy of a country or an isolated region like Hawaii. It is being assumed that there are few or no workers employed outside the country.

At the same time Figure 1 makes no reference to financial institutions. These are treated as any other business that buys raw material (borrowed money at certain interest rates) and sells finished products or service (loans to "credit-worthy" borrowers at higher interest rates).

Another feature of the framework is that it implicitly assumes that all economic activity occurs at one point rather than being spread out over a wide area. This of course excludes the possibility of having income disparities among different places.

C. Characteristics of a Community Economy

If we are interested in a community economy these three points — 1) trade other than through businesses, 2) financial institutions, and 3) spatial effects — become critically important.

Figure 2 shows the economic accounts of an eight square mile inner city area, East Los Angeles, with about 105,000 people. A close reading of the numbers suggests that there are large trade flows across the "borders" of the economy. Not only is a large value of goods being exported (line 1, line 2, line 6 and line 7) but there are large flows of people working outside the community and bringing money in (line 4). Similarly there are numerous people living outside the community who come and work there. In fact, of the 17,150 jobs in the community, only 7,145 (41.7%) were held by local residents. The rest were held by outsiders who took 75 million dollars home.

At the bottom of the figure it can be seen that even though East Los Angeles is a poor community, its residents save $14 million. While hard and fast numbers are not available, it is quite plausible that most of the money deposited in the financial institutions there is loaned out elsewhere. This is traditionally called red-lining. Financial institutions are of such importance in community economic development that Section VIII.2 is devoted to them. There is a lot of rhetoric against red-lining so Section VIII.2 should be read before you

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jump on the bandwagon.

One can summarize the characteristics of most community economies of inner city areas as follows:

1. The community has low income, high unemployment and high poverty.

2. There are usually not enough jobs in the community. Note — there might not be anything wrong with this — see Section I.3.

3. Larger community businesses are owned by non-residents. Smaller "Mom and Pop" stores might be locally owned.

4. The education level in terms of years of schooling is low relative to the population as a whole. The skill level may or may not be much higher.

5. Financial institutions tend to invest elsewhere and there might be a net outflow of capital.

6. The community's economy is dependant on the regional economy.

While most of the points are pretty much self-explanatory, the last one would benefit from elaboration. There is a famous 1,2,3 rule in economics. If the national unemployment rate increases 1%, the unemployment rate for women, Blacks, Mexican-Americans and other minorities goes up 2%, and for youths it goes up 3%. Now this is a rule of thumb at the national level, but it emphasizes an important point.

1.3 STAGES OF EVOLUTION OF COMMUNITY DEVELOPMENT ORGANIZATIONS

Community organizations that are involved in economic development go through definite stages of evolution. What is presented is very general and may not apply to all CDOs. Most of them have their roots in the "War on Poverty" during the 1960s. Often a single issue like confronting local government to stop a freeway brings the community together. Over time an organization evolves that begins to consider the delivery of human services for the community. The frustrations involved with dealing with the tip of the iceberg lead community leaders to consider the need to provide jobs and income for community residents, i.e., economic development. They become clients of this Handbook. Usually the first efforts at economic development are unsuccessful and result in the demise of the CDO.

Those CDOs that survive these efforts attempt a wider diversity of projects oriented to both the delivery of human services and economic development. They change as organizations. No longer are they in confrontation with the government and business sector but activily cooperate with both. The dynamics can best be captured by considering changes in:

- Organizational goals

- Organizational structure
- Staff
- Community involvement
- Inter-relationship with other organizations both within and outside the community.

A. Changes in Organizational Goals

There are two types of changes that take place. The first is a change in the goals themselves, while the second involves an increase in the number of goals.

As mentioned earlier, community organization emerges in response to some action by government deemed against the community interest such as the closing of a local health facility or the freeway mentioned above. There is an attempt to provide services such as food stamps, health care, and recreation centers.

Meanwhile, there are also rumblings about, "The local merchants (usually of a different ethnic background) are ripping off the community" or the real health problem is "People are poor and cannot afford proper nutrition, etc." This sparks the desire to start a business that "won't rip off people," or a co-operative that will provide cheaper food. Lacking business acumen and facing the incredible difficulty of starting and running a small business, the effort ends in failure.

If the CDO can hang on it learns from its mistakes and begins to have some modest successes. By capitalizing on them it moves to other projects and finds its ability to run businesses also helps it in running human services better.

It begins to take on bigger projects — moving, for example, from housing rehabilitation to commercial retitalization and perhaps even an industrial park.

B. Changes in Organizational Structure

These qualitative and quantitative changes in goals cause upheavals in the organization. Many of the former "pioneers" of confrontation have deep philosophical misgivings about the changing organizational goals. They fight hard or often leave.

The organizational structure becomes more elaborate when you deal with the diverse goals. Instead of having a program structure like a health clinic, food stamps, etc., divisions are created under non-profit and for-profit wings of the organization. The problem of managing and controlling finances becomes more difficult, and separate departments are created to respond to accountability to government funds. There is a difference in the way things are done. Instead of doing everything in a crisis atmosphere, standard operating procedures become more common.

C. Changes in Staff

Initially the CDO must appeal to the "community spirit" to get people. They tend to either be very low paid residents or unpaid volunteers. Over time, however, once the organization can pay better salaries, it has to make the agonizing choice of trying to upgrade local talent versus hiring professionals from outside the community. Usually it results in a compromise of both types of people.

D. Community Involvement

When the goals of the CDO involve confrontation, the usual form of community involvement is large public meetings. While these meetings might be chaotic, they serve their purpose.

Once the organization is running businesses and social services on a larger scale, the process of community involvement has to be institutionalized. Often this means the appointment of a board or directors, etc. Some CDOs also select a larger elected Community Board which is elected by the community.

The extent of community involvement in the selection and monitoring of projects greatly varies among different CDOs.

E. Relationships With Other Organizations Both Within and Outside the Community

In the beginning, the CDO has differences with other organizations in the community because of differing political philosophies. As the CDO becomes more successful, these differences remain, but are added to by competition for limited government resources.

The most important changes involve businesses and local government. Confrontation is replaced with cooperation for the most part. Some CDOs even have political representatives sit on their board of directors. Others have businesspersons as well.

While the Handbook as a whole has been designed to ease the pains of evolution, particular chapters should be especially helpful. Chapter VI should provide help with management problems, and in the creation of alternate organization structures. Chapter VII should aid in problems of community involvement. The shift to a private business approach, so necessary for some forms of economic development, should not only be aided by Chapter VI but by Chapter VIII as well.

APPENDIX C-6

A Special Report on the Expansion of EDA

The Resources Being Considered for Economically Distressed Areas

The details of a national Public Works and Economic Development Act of 1979 are now being resolved. The final version will retain many successful programs launched under the Public Works and Economic Development Act of 1965. In addition, it should incorporate important features of the national development bank proposed by the Administration.

Specifically, it is expected that the Economic Development Administration (EDA) of the Department of Commerce will be authorized to offer a range of program development assistance to eligible recipients (often including neighborhood redevelopment organizations) for attracting primarily small- or medium-sized businesses to either locate or expand in economically distressed urban and rural areas. The "tools" thus authorized will include public works grants, grants to maintain revolving loan funds to redevelop declining areas, development financing for businesses (particularly guaranteed loans, direct loans, and interest subsidies), grants for planning and technical assistance, and innovative demonstration programs (particularly assistance for the

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Proposed projects [should] benefit socially and economically disadvantaged individuals and firms owned by such individuals.

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establishment of equity-financing programs and Employee Stock Ownership Trusts).

Community-based development organizations (with some emphasis on CDCs) will inevitably assume a larger role in providing assistance to distressed areas because of the increased responsibilities imposed upon EDA by this new legislation. Such community-based development organizations were singled out for praise by the congressional committees that have been restructuring the Public Works and Economic Development Act. The Senate report jointly written by the Committee on Environment and Public Works and the Committee on Banking, Housing, and Urban Affairs reiterated support for a "delivery" role for local organizations "having particular knowledge of the local economy and of the needs of firms seeking assistance" from EDA. It further asserted that "local organizations can be the most cost-efficient source of technical and administrative assistance on the development and assessment of small projects" and that "local organizations can work successfully with key actors on the local level to promote the leveraging of private investment in both large and small projects."

The "tools" ... include public works grants, grants to maintain revolving loan funds to redevelop declining areas, development financing for businesses ... grants for planning and technical assistance, and innovative demonstration programs ...

The House Committee on Public Works and Transportation similarly recognized "the important role that community-based organizations play in the economic development of distressed communities in both urban and rural areas." The committee particularly noted that "community-based organizations have established themselves as an effective catalyst for providing technical and financial assistance to locally based small and minority firms and promoting job opportunities in their community." The same report praised EDA for its support of community-based economic development and for its creation of the Office of Special Projects, which provides business and technical assistance to community-based economic development organizations. Such praise for EDA is noteworthy because under previous Administrations EDA had resisted working effectively with community-based development organizations despite repeated efforts (through amendments to the Title VII Special Impact Program and the EDA legislation) by Congress to foster an expanded working relationship. Interestingly, Congress views these institutions as important administrative vehicles to disburse (as well as receive) EDA assistance and recognizes that EDA is administratively incapable of handling an increase from 50 to 1,500 transactions per year, which is the anticipated result of the new business development financing program. EDA will necessarily be utilizing community-based development organizations as well as related local and state support institutions, such as Massachusetts's Community Development Finance Corporation (CDFC) and Community Economic Development Assistance Corporation (CEDAC).

In this legislative review we will attempt to highlight the key features we expect the final version of the Senate and House compromise bill to contain. This analysis will primarily follow the format adopted by the Senate. (As of this writing, House committees had not resolved the differences between proposals presented in the House—an action that necessarily precedes the Senate and House meeting in conference committee to reach a compromise.)

Title I: Grants for Public Works, Developmental Facilities, and Adjustment Assistance

This title incorporates most of the public works programs previously included in Titles I and IX of the Public Works and Economic Development Act of 1965. Funding is available through this title for the traditional Public Works Grant programs and for the Public Works Impact Projects (PWIP) programs whose purpose is to provide immediate job creation for "hard-core unemployed." Public works grants must not exceed 80 percent of project cost, except for the following projects, which are eligible for 100 percent funding:

- A project sponsored by an Indian tribe;
- A project sponsored by a state, or a political subdivision or a state, whose borrowing and taxing capacity is exhausted;
- A project sponsored by a public or nonprofit organization whose borrowing and funding capacity is exhausted (providing such project is labor-intensive); or,
- An environmental impact analysis.

A relatively new and exciting program will be EDA's grants to eligible institutions (including community-based development organizations) to maintain revolving loan funds that will provide loans to public and private groups pursuing development projects in economically distressed "redevelopment areas." This locally operated revolving loan fund can finance industrial land assembly, land banking, acquisition of surplus government property, acquisition of abandoned sites evidencing redevelopment potential, rehabilitation of buildings, and related activity. EDA has indicated a willingness to permit deferred payment of interest and principle payments such that, in appropriate situations, CDCs and similar groups may avoid heavy debt-servicing burdens which often make debt-financing difficult. (Potential users will undoubtedly want to pay close attention to related regulations expected to be promulgated with respect to the revolving loan program.)

A revolving loan fund can finance industrial land assembly, land banking, acquisition of surplus government property, acquisition of abandoned sites evidencing redevelopment potential, rehabilitation of buildings . . .

Another grant program under this title provides funds to an eligible applicant (typically a local government or regional planning commission) to aid private firms in locating in a "lagging economic area." These grants will frequently be used for access roads or for other "infrastructure" improvements. While such expenditures may not exceed 15 percent of the project cost, they may, however, be used to complement expenditures funded through another title of the act.

Assistance to "economic adjustment areas" (previously funded under Title IX) to compensate for severe or sudden economic dislocations is also provided for in Title I of the new act.

In order to become eligible for Title I funds, applicants must file an Overall Economic Development Plan (OEDP). However, the Special Impact Areas (SIAs) so designated pursuant to the CSA act would automatically qualify for EDA assistance under all titles of the new act. (Please refer to the regulations for further details.)

Title II: Development Financing

The purpose of this new section is to spur increased job creation by assisting businesses to be maintained, to locate, or to expand in distressed areas. The primary instruments that would be used to foster job creation in this manner include loan guarantees of up to 90 percent to private businesses seeking to finance ventures, direct loans of up to 65 percent of project cost to borrowers unable to obtain financing

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The Secretary of Commerce [must] ensure the coordination of EDA programs with activities assisted under CETA legislation.

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from private lending institutions, even with the aforementioned guarantee, and interest subsidies to offset "the added costs of doing business in distressed areas." In general, however, interest subsidies have been viewed somewhat skeptically by members of the academic community and Congress—as "give-aways" that rarely serve as a sufficient incentive to influence a business locational decision.

Another innovative feature in this title is that EDA would be able both to shift some of the burden of risk to private lenders where possible and simultaneously to create a secondary market for the debt instruments (by pledging the full faith and credit of the United States).

In approving projects for funding (e.g., purchase or development of land, building construction or rehabilitation, purchase or modernization of machinery or equipment, provision of working capital), the Secretary of Commerce must ascertain that regulatory criteria have been met and that the Secretary has met his/her responsibility for giving primary consideration to the following factors:

- The extent to which the proposed project will provide long-term private sector employment opportunities to residents of the area, particularly unemployed, long-term unemployed, low-income, and socially and economically disadvantaged residents;
- The degree of economic distress in the area in which the project is to be implemented, as demonstrated by the criteria listed in Section 401 and Section 403 of this Act;
- The level of the private sector equity investment committed to financing the proposed project; and

- The degree to which the proposed project will benefit socially and economically disadvantaged individuals and firms owned by such individuals.

Congress, apparently impressed with research findings that indicated that most job creation was being fostered by small- and medium-sized firms, is expected to limit most of the assistance provided in this title to firms having less than $50 million in assets. While this is good news for community-based development organizations, it is still too early to predict the outcome of other legislative efforts to hit this particular target.

Title III: Technical Assistance, Planning Grants, Research and Demonstration Programs

Under this title, planning grants at the state level and below are usually provided for planning and development organizations for a range of eligible activities. Of particular interest to all community-based organizations are the provisions that would make assistance available for the preparation of an economic adjustment plan.

Revolving loan funds . . . will provide loans to public and private groups pursuing development projects in economically distressed "redevelopment areas."

Direct technical assistance can be provided to community-based development organizations that will include:

- Project planning and feasibility studies
- Management and operational assistance
- Management training

The new amendments would add important new requirements for EDA research and demonstration programs. The most critical of these requirements is that EDA implement a demonstration program in equity financing to promote economic development in distressed areas. Such a program

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The primary instruments . . . would be . . . loan guarantees of up to 90 percent to private businesses seeking to finance ventures . . .

Anticipated Funding Authorizations

Program	*Requested Level*	*Projected Future Level*
Technical Assistance	$90 million	$5–10 million increase each of succeeding three years
Public Works & Revolving Loans	$555.2 million	$600 million annually for FYs 1981–83
Loan Guarantees	$1.8 billion	could reach $2.5 billion by 1981
Direct Loans	$150–190 million	no change
Interest Rate Subisidies	$50 million	President requested $350 million; a compromise would increase allocation
Regional Commissions	$250 million	no change

could provide grants to nonfederal institutions such as the two now operating in Massachusetts—the Community Development Finance Corporation and the Technology Development Corporation. EDA might also work with CSA, which has been developing a national model for a Community Economic Development Finance Corporation. As this experiment progressed, it would provide theoreticians, practitioners, and members of Congress with the opportunity to evaluate whether *access to capital* rather than the *cost of capital* is most appropriate for EDA program emphasis.

. . . interest subsidies to offset "the added costs of doing business in distress areas."

Still another requirement of the Title III demonstration programs (as well as of other EDA Titles) would be increased assistance to eligible activities involved with the creation of Employee Stock Ownership Trusts. Such assistance could facilitate a national effort to work with the business community to encourage worker and CDC ownership in ventures otherwise scheduled to be abandoned because of disinvestment policies or other circumstances.

Title IV: Area Eligibility

An area must meet the following criteria in order to be designated a "Redevelopment Area." It must—

1. have a per capita income of 80 percent or less of the national per capita income as determined by statistics from the Department of Commerce;
2. suffer an average unemployment rate above the national average unemployment rate for the most recent five-calendar-year period for which statistics are available from the Department of Labor;
3. suffer, for the most recent twenty-four-month period for which statistics are available from the Department of Labor, an average unemployment rate at least 1 percent above the national average unemployment rate, and suffer an average unemployment for the same twenty-four-month period of at least 7½ percent;
4. display an employment growth rate that is 20 percent or less of the national average for the most recent five-year period for which statistics are available from the Secretary of Labor; or
5. establish that the percentage of its population living in poverty exceeds 16½ percent of the area's population for the most recent year for which statistics are available.

Community-based organizations [are] an effective catalyst for providing technical and financial assistance to . . . small and minority firms . . .

This title also provides for a "Pocket of Distress" designation that may be applied to areas that fail to meet the statistical criteria established by the regulatory requirements for "Redevelopment Area" designation, in order that such areas may receive EDA assistance in certain appropriate situations. CSA-designated "Special Impact Areas" are declared eligible for all forms of EDA assistance authorized by Titles I, II, III and IV of the Act.

While the criteria listed above support the Administration's intention of aiming EDA assistance at not more than 67 percent of the population of the United States, amendments the House is expected to offer would broaden eligibility to cover 85-90 percent—a much greater proportion. Should the narrower criteria favored by the Senate prevail in the final enactment of the bill, areas that might become ineligible for public works grants as a consequence would not be phased out for at least two years.

Special Impact Areas . . . designated pursuant to the CSA act would automatically qualify for EDA assistance under all titles of the new act.

Other Provisions of Interest

The EDA reauthorization would require the Secretary of Commerce to ensure the coordination of EDA programs with activities assisted under CETA legislation. EDA recently entered into an agreement with the Department of Labor and other related agencies that requires that their jointly sponsored projects develop an employment and training plan in which 10-15 percent of the jobs generated thereby are earmarked for the long-term unemployed. The Act would also require coordination with activities maintained by the Private Industry Councils created pursuant to Title VII of CETA.

Affirmative action with respect to economically and socially disadvantaged persons as well as the firms owned by such persons would be required of the agency and of eligible applicants. Regulations extending such requirements to private firms receiving EDA assistance will require close scrutiny in the coming months!

Unfair competition provisions have been modified and clarified. According to the Senate Committee report on S914, the Secretary would be permitted to "provide financial assistance to a project when such assistance will not result in a significant increase in existing production, capacity, or services and when modernization of existing productive facilities is essential to retain employment in an economically distressed geographical area."

Because EDA has had limited experience in establishing local lending authority, regular and detailed reporting of projects has been inadequate.

Congress [was] impressed with research findings that indicated that most job creation was being fostered by small- and medium-sized firms . . .

According to GAO, there are serious defects in the manner in which EDA has carried out its reporting requirements under current law. These have been identified (GAO wrote a letter to the Secretary of Commerce discussing this problem on June 28, 1979), and S914 provides language covering the reporting aspect of projects:

- Recipients of grants must make semi-annual reports to the Secretary containing evaluations of effectiveness of the projects
- The Secretary must provide a consolidated report to Congress giving an accounting of assistance provided to the project and an evaluation of effectiveness of the project.

Conclusion

Innovative techniques have been added to a greatly expanded EDA. It is also likely that the administration of the agency, lacking extensive personnel with banking and financial backgrounds, will pass enormous amounts of program funds to institutions at the state and local levels. This means, in turn, that community-based development organizations and their support institutions should be prepared to participate in EDA-funded activity in a significantly increased manner. With the congressional emphasis on assisting more closely defined distressed areas and minority firms, community-based development organizations should have unprecedented access to revolving loan funds, equity capital, and technical assistance. However, numerous details will still need to be codified via regulations. It is therefore vital that community-based organizations carefully monitor the development of regulations at the national level as well as the submissions by local governments to EDA of Overall Economic Development Plans and Comprehensive Economic Development Strategy proposals. Such vigilance, combined with these new resources, will permit locally based organizations to maximize their ability to create jobs for local residents while simultaneously developing projects to revitalize their neighborhoods.

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